

CALIFORNIA STATE ARCHIVES
STATE GOVERNMENT ORAL HISTORY PROGRAM

ORAL HISTORY INTERVIEW

with

B B BLEVINS

CALIFORNIA ENERGY COMMISSION 1977 1995
CALIFORNIA DEPARTMENT OF CONSERVATION 1995 1997
CALIFORNIA ENVIRONMENTAL PROTECTION AGENCY 1997 2004
(DEPARTMENT OF WATER RESOURCES 2001)
(CALIFORNIA POWER AUTHORITY 2002)

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INTERVIEW HISTORY

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Interview Time and Place

July 8 2003
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Session of two and one half hours
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The conference room in Tahoe Hall CSU Sacramento
Session of five hours and one half hours

Transcribing/Editing

TechniType Transcripts transcribed the interview audiotapes Christopher J Castaneda checked the verbatim manuscript of the interview against the original tape recordings edited for punctuation paragraphing and spelling Castaneda prepared the table of contents biographical summary and interview history Castaneda also made the editing corrections and prepared the final transcript

Mr Blevins reviewed the verbatim transcript

Tape and Interview Records

The original tape recordings of the interview are in the university archives at CSU Sacramento on 90 minute cassette tapes Master tapes are preserved at the California State Archives

BIOGRAPHICAL SUMMARY

B B (Byron Bruce) Blevins was born in Knoxville Tennessee on January 9 1953 He grew up in Tennessee and went to high school in Oak Ridge where he became interested in archaeology history and the environment He attended the University of New Mexico and received a B A in Anthropology After returning to Tennessee he worked for the Oak Ridge Associated Universities and traveled to California to make presentations on energy to high school students

In 1977 B B Blevins began working for the California Energy Commission (CEC) where he served as an analyst and then program manager from 1977 to 1983 In 1983 he became Advisor to the Chairman and remained in this position until 1992 From 1992 through 1995 Blevins served as Executive Director of the CEC

In 1995 B B Blevins moved to the California Department of Conservation where he served as the Chief Deputy Director and Acting Director He remained at this agency until 1997 when Governor Pete Wilson appointed him as Undersecretary of the California Environmental Protection Agency (CalEPA) he later was promoted to Deputy Secretary for Business Assistance and Program Development

During California s energy shortage Governor Gray Davis appointed Blevins to direct California s electricity purchasing program at the Department of Water Resources (July and August 2001) and then to assist S David Freeman in forming the California Power Authority (2002) After serving in these temporary posts Blevins returned to CalEPA

In addition to these positions Blevins has represented California on the Interstate Oil and Gas Compact Commission and the U S Outer Continental Shelf Policy Advisory Committee He has also served on the boards of the National Renewable Energy Laboratory s Science and Industry Advisory Board the California Council on Defense Industry Conversion and Technology Assessment the California Natural Gas Vehicle Advisory Board and the Center for Clean Air Policy In 1994 he served as a member of the German Marshall Fund Study Tour on Global Climate Change

In January 2004 Governor Arnold Schwarzenegger appointed B B as Commissioner of the California Energy Commission for a 60 day term

B B Blevins is a historian who specializes in the history of the Southern Appalachian region and he is the Chairman and Chief Executive Officer of the Grandview Heritage Foundation He is married and has two sons

[Session 1 July 8 2003]

[Begin Tape 1 Side A]

CASTANEDA This is an oral history interview of Mr B B Blevins for the State Government Oral History Program and it is July 8 2003 We are in the conference room at the Department of History CSU [California State University] Sacramento

Mr Blevins thank you for taking the time to do this interview

BLEVINS My pleasure

CASTANEDA We like to start these interviews with you talking about your background and getting a sense of your years growing up and influences on you So I d like to start off by asking you where you were born and I guess we ll start from there

BLEVINS I was born in Knoxville Tennessee on January 9 1953 The only thing I think that was unique about it was that my mother had a female OB/GYN in 1953

CASTANEDA Were your parents from Knoxville originally?

BLEVINS My father and his family are from the southwestern part of Virginia He grew up in a place called Gates City Virginia which sits on the border of Tennessee and Virginia and his family had been in that area for nearly two hundred years My mother s family she grew up in a place called Granview Tennessee which sets on the eastern edge of the Cumberland Plateau It s a community where the topography of Tennessee is such that as you re in Nashville and move toward the east there s a plateau area Then when you reach the Tennessee River Valley it drops straight off for about eight hundred feet This community sat right on the lip of that plateau

Its distinction was that in 1884 the American Missionary Association established one of their schools in Granview It was the first place that twelve grades of education were offered between Atlanta Georgia and Cincinnati Ohio It resulted in a lot of the locals moving into the area so their children could go to school there and also a lot of professors coming from the Northeast to teach at this school and these professors were coming from Ivy League schools—Dartmouth Princeton Yale Harvard

The American Missionary Association interestingly enough was a remarkable organization that no one has seemed to have written a popular history of but it was formed as a result of the *Amistad* slave ship incident. The attorney who represented the supposed slaves through the legal proceeding basically after that proceeding was over recognized that all the missionary associations in the United States were a bit schizoid in that they either were adamantly against slavery because of the Christianity aspects of things or the other half didn't want to rock the boat. What he did was he managed to organize all the hardcore anti-slavery components of the variety of missionary associations into a single association. That became the American Missionary Association.

Their initial purpose was to educate slaves even before the Civil War and that branched out into Native Americans in the far West in the late 1800s and also actually specifically in California the American Missionary Association operated a school for Chinese railway workers in Sacramento in the early mid 1800s.

One of the other things they did was they established schools in the most rural parts of the southern Appalachian regions and Granview happened to be one of those schools. So on my mother's side of the family I'm sort of a product of locals and folks that emigrated from places like New York into the area of an association with the school.

- CASTANEDA You said that your mother had the first female OB/GYN
- BLEVINS She simply had a female OB/GYN In my life I don t think I ve met anyone who had one earlier than 1953 I m sure they existed before 1953 and that was at Baptist Hospital in Knoxville Tennessee
- CASTANEDA Did you have other siblings?
- BLEVINS I have one younger sister Her full given name is Martha Cordelia Blevins She is known as Marty Blevins and she currently lives in Roswell Georgia She s three years younger than I am
- CASTANEDA If you don t mind for the record what is your full name?
- BLEVINS My full name is Byron like the poet Bruce Blevins My father in college because his name was Billie Bruce Blevins and the Billie was spelled B I L L I E which is the female spelling he found himself going by his initials which were B B as well When I was born they thought it would be cute to have another B B but they weren t about to name me Billie B I L L I E So my father actually enjoyed poetry and knew the name Byron so I was named for Lord Byron That s where he pulled the name from But as a result because Byron Bruce Blevins is a mouthful I ve always gone by B B my entire life
- CASTANEDA Since you were born they ve referred to you as B B ?
- BLEVINS That s right Well ironically when I first started going to school the teachers would not use the initials because they were using your given names in first and second third grade Growing up in the South

Byron always seemed to come out as Brian So for a long time I thought my name was Brian and not Byron But after a while as I got older I started using B B and it s all I ve ever used

CASTANEDA Interesting Now what sort of occupations did your parents have when you were young and growing up?

BLEVINS My father essentially came out of the war and went to medical school and eventually went to the University of Tennessee at Memphis and became an oral surgeon oral maxillofacial surgeon which actually he was one of the first in the area to specialize in that type of medicine

My mother they both went to a little school out in Athens Tennessee known as Tennessee Wesleyan University She was simply going through school and she was the secretary to the dean of students when she met my father After they got married and he set his practice up she always worked in the office for him and did so for thirty years She ran his medical office for thirty years

There is one hiatus in there which has a California twist When my father finished his schooling he had been a pilot in the Second World War Well let me take it back He was a gunner and a navigator on B 24s in the South Pacific but had always enjoyed flying As a result of that even though he completed all of his work his education to become the oral surgeon at the completion of that he told my mother

that he wanted to reenlist in the army She had just worked him through school so to speak so he reenlisted and became a pilot

What I specifically remember and the part that relates to California is that he had become a helicopter pilot and we were stationed in Salinas Kansas

CASTANEDA Can you spell that?

BLEVINS I think it s S A L-I N A S It phonetically looks like Salinas but I think the locals call it Sal eye nah But it would be Sal ee nus to me

This is in the early fifties and the story is that this unit of helicopters and I m not going to know the model type but they were in essence banana shaped helicopters with two rotors on either end that they brought the first helicopters into California in a big way We were stationed at Fort Ord and I lived in one of those flattops in the 56 57 58 somewhere in that timeframe

They trained helicopter pilots and they ran maneuvers between there and San Simeon doing a lot of the lifting and dropping troops off and everything In essence in looking back on it and knowing a little bit having lived through the era of the Vietnam War what they in essence were practicing was a type of jungle warfare where they would bring equipment into very wooded areas or very hilly areas and try to get people in and out in sort of a rapid deployment process

Then at some point in this process my family they made a decision to move back to East Tennessee and my father opened his practice probably around 1959 in a place called Kingston Tennessee

CASTANEDA So you lived just there a couple years?

BLEVINS Right we were in California a couple years I have very little personal memory of it One of the things I think that's been somewhat fun is that they didn't have much money but my father managed to buy an 8 millimeter movie camera So while we were back here he took photographs of places like Pebble Beach and Carmel and San Francisco in the fifties and obviously having spent most of my professional life in California to go back and look at those movies gives you some perspective

CASTANEDA See how things have changed

BLEVINS That's right

CASTANEDA So you're back in Tennessee I guess going to elementary school

BLEVINS I started in elementary school Well I actually went to kindergarten in Kingston Tennessee Then the family moved outside of Maryville Tennessee which is a bit outside of Knoxville But the significance of that is it's close to the U T [University of Tennessee] hospital where my father interned I started grammar school at a place called Eagleton School in Maryville

Then halfway through the second grade my father had decided to set his permanent practice up in Oak Ridge Tennessee which was about thirty miles southwest of Knoxville He continued that practice there until he retired and the rest of my primary and secondary high school schooling all occurred in Oak Ridge

CASTANEDA When you were growing up in Oak Ridge what sort of things did you see yourself doing in the future? What were your interests at the time?

BLEVINS It s sort of interesting My grandmother when I was seven years old gave me a subscription to *National Geographic* magazine and I think I d always sort of been interested in where things started just in general terms I can t even remember I think it was the March 1962 issue of *National Geographic* they had an article in there on the discovery of what are known as LaVinta heads in Mexico They re large carved jade heads that were found part of the Olmec tradition in Mexico I read that and pretty much at that moment in time decided I wanted to be an archaeologist and I never varied from that interest

Also the other thing that contributed to my interest in history was when we moved to Oak Ridge we moved initially into one house and about eight months later moved into another house The second house as it happened we moved next door to the first city manager of Oak Ridge a gentleman who had come into Oak Ridge for the purpose—

and you have to remember Oak Ridge was a government town. It was just probably one of the towns built during the Manhattan Project.

CASTANEDA: What's the population?

BLEVINS: The population then was about 29,000. I don't believe it's much more than that right now, but the demographics of the town have changed drastically since I was there.

He had an intense interest in genealogy, family histories. This was in the 1960 timeframe, '60-'61 timeframe. So I would come home from school and go over to his house and spend time with him. I was young, and he had lost a son. Obviously, this was information that wasn't registering on me at that time. But he had lost a son, and so I think he enjoyed having me there, and he was always sharing with me all of his interests. One of his passions was genealogy and family history, and I actually developed that interest at about the age of twelve. Of course, it's been part of mine, and I've stuck with it ever since then. So I had a growing interest in history, Archaeology, obviously fed that as well.

I remember, oddly enough, entering high school in terms of social issues, being conscious about population growth, being conscious about environmental degradation of the planet. Again, probably one of the more fortuitous parts of my life is that my parents made the decision to go to Oak Ridge. At the time, Oak Ridge wasn't

considered just one of the best schools in the state it was considered one of the best high schools in the United States and it had remarkable teachers As you might imagine a lot of the parents because of the nature of Oak Ridge Oak Ridge and Los Alamos [New Mexico] any academic communities that are just totally based in academia—Davis [California] would be another example—the expectations that the parents have with regard to the education their children are going to receive is pretty high

I can remember in high school chemistry scoring a ninety two and thinking I did pretty well and that being a C So it was an interesting experience for me

But the other good thing about the educational experience was they were not afraid to branch out and teach the fundamentals in the context of current events So I can remember my eleventh grade high school English class was called Spaceship Earth in which in fact Rachel Carson's *Silent Spring* was required reading All the things that had any kind of environmental perspective in terms of either portraying a negative impact because of too much of something or declaring the positive aspect of preserving something or maintaining health That was nine months woven into the curriculum of that particular English class So it was from my standpoint quite a beneficial experience educationally

CASTANEDA It sounds like you were environmentally conscious then. Was there a group of students who were?

BLEVINS It was. I think the community as a whole. These were extremely well educated people. As you might imagine, sitting in East Tennessee these people enjoyed getting out and backpacking. Being close to the Smokies and the Cumberland Plateau, there were remarkable opportunities to backpack into wilderness areas.

What sticks in my mind is strip mining was still going on in the immediate area, and I can remember a lot of activity sort of bubbling up in Oak Ridge to see what they could do to inhibit as much strip mining as going on in the area. So Oak Ridge was an environmentally conscious community, certainly in the mid sixties and through the seventies.

CASTANEDA Did you have a lot of government workers there, too?

BLEVINS Technically, they're not. There were at that time three—well, there's one laboratory, but there were three facilities that were constructed to initially build the bomb and also to carry out research in whatever the national government thought was necessary at that moment in time.

So even though it was a national laboratory, the way it has worked historically with National Labs, they are contracted to a large firm to run the laboratories. In my day when I was there, it was Union.

Carbide Union Carbide was responsible for the management of Oak Ridge National Laboratory

CASTANEDA How did people perceive of Oak Ridge in that legacy of the bomb? There's sort of an environmental consciousness and yet there's the nuclear question

BLEVINS I think it's a great historical nexus. Again, you have to keep in mind that when I was exposed to this, we're talking about the sixties, in essence, and there was still a huge impetus for the notion that technology was the ultimate savior to everything. That cultural impetus began in the fifties where, at least my experience in reading history, you sort of have the fact that technology is going to take care of us all. So Atoms for Peace, which was actually a program that the utilities purchased then, was originated in Oak Ridge and went to different places to educate people on the safety of nuclear power and the benefits it held.

And even I can remember being in elementary school and other fathers of other students coming in and hearing discussions about how they were going to dispose of nuclear waste and how it was so technically feasible and it was no problem that it was just another one of the continuums in technological development that was going to help us expand nuclear power and the—quote unquote—cleanliness of nuclear power.

So in some respects at that time nuclear was seen to be much cleaner than coal and coal obviously was something the Tennessee Valley Authority had begun to rely on. Aside from hydroelectricity they also had constructed coal plants because it was plentiful in the area and it was a cheap source of fuel.

So I suspect that a lot of folks weren't really aware of the inconsistency let's say in being environmentally conscious and at the same time supporting nuclear power because they actually thought nuclear power was a solution to the environmental problems.

CASTANEDA: So in that time and place there's a strong connection there. They're interrelated in many people's mind.

BLEVINS: Yes, yes. Ironically I've continued to read newspapers from Oak Ridge and as you might expect there are people that still believe that that is the way we to go. We all know it's a huge national debate in terms of the value or not of nuclear power. I think the irony is that thinking back to that third grade class and that parent coming in after all my life and from that point in time that's been forty three years we still don't have a way to dispose of high level nuclear waste. So that pretty much answers I think where things have ended up.

CASTANEDA: Through high school were there teachers who had particular influence on you or that seemed memorable or remarkable especially in terms of your own interests?

BLEVINS

Well it's interesting. Again I was all consumed probably by archaeology and as you might imagine archaeology is not something that is explicitly dealt with over any kind of lengthy coursework. So I think it's odd because I know that people tend to have a favorite teacher or one or two favorite teachers that sort of made the difference. I always viewed myself as actually being pretty lucky to have them all.

I think another positive Oak Ridge experience was when I first got there and I was in the midyear of second grade. The school I went to at that time was Pine Valley Elementary School and my second grade teacher for the last half of the year was a woman named Julia Moore. Mrs. Moore was somewhat unique because she's my last memory of Bible stories being read during rest period.

And also when the weather got warm she did something once a week which was called School in the Woods. The way that Oak Ridge was originally constructed it actually is a model of urban planning because they built neighborhoods with their own fire station, supermarket, barbershop, drugstore, and they built them in enclaves and then they left greenbelts between these along the sides of the hill. As a result growing up in Oak Ridge it was very easy. I could actually walk out my backdoor and walk to the State of Kentucky and cross a few state highways and be in nothing but woods.

And obviously the military one of the reasons that Oak Ridge was selected aside from cheap power was that it was also so remote When they came in and planned the city they left these natural greenbelt areas They didn't clear cut So as kids it was remarkable There were paths that ran through them It was a remarkable place to grow up and sort of feel a part of nature

Mrs Moore took advantage of that and you just walked out the classroom and went about a hundred yards and you were in the woods They had stumps old pieces of wood cut as desks and everything and we actually sat out there and learned about the plants and the animals as part of our education Again it was one of those things that was not happening in other places in the State of Tennessee to a great degree so it had a lot to do with the community and the nature of the community that again I think benefited all the kids that went there

CASTANEDA Were there opportunities to participate in archaeological digs?

BLEVINS There were those opportunities A lot of what happened—again this gets back to a little bit of the history of the Tennessee Valley Authority A lot of Native American precontact sites by virtue of building the dams had flooded most of those original archaeological sites Most of the archaeological activity that I recall going on was of a historic nature

An example of that is the first year I came back from the University of New Mexico I participated in a TVA [Tennessee Valley Authority] salvage archaeology project in middle Tennessee where they were building another dam But also a couple years after that there was a very early fort site in Kingston Tennessee called Southwest Point and I spent time just volunteering there But there really wasn't that kind of activity unless a highway had exposed some cultural remnant from precontact times although it was very close to the university

I do remember at the University of Tennessee at that early time having met and talked to Dr William Bass who now is one of the leading forensic anthropologists in the United States and he's known for his dead farm in which he has taken human bodies that have either been donated or unidentifiable and has taken land out in the woods and laid them out there and allowed them to decompose and studied the decomposition A lot of his work has become extremely valuable in criminal investigations because the ability to date or determine the length of time that's passed from when a body's been initially disposed of and then subject to exposure and the type of insects that come in at specific times I mean all of that is ultimately attributed to Dr Bass's work

CASTANEDA Is that on the university grounds?

BLEVINS It s his own private farm It s something he has done

CASTANEDA It s a good Halloween [unclear]

BLEVINS He makes light of it himself Actually recently I believe there s a
PBS [Public Broadcasting System] special on him in which they walk
you through his professional history He was again one of those
people it was my good fortune just to bump up against for a little bit of
time and get a sense of what they were about and what made them
good at what they did

CASTANEDA Did you meet him or become exposed to him after you were in college
or while you were in high school?

BLEVINS My memory is that it was the summer after college I graduated from
high school in 1971 so that would have been the summer of 1972

CASTANEDA Were you involved in any other sort of activities in high school?

BLEVINS I was always one of those children that sat down and banged on the
piano My sister took piano lessons and learned some but I actually
taught myself to play the piano by using her books So I started
developing an interest in music and so I was in the band in junior high
school and in high school I think the last year when I was a senior in
high school I was the president of the Oak Ridge High School band
and ultimately I ended up playing drums Then as that evolved I
ended up playing tympani kettledrums

Again more good fortunate relating to the fact that as you might imagine Oak Ridge had a pretty good symphony orchestra and had a pretty good dramatic community drama group so as a high school student I was able to play tympani for the Oak Ridge Symphony Orchestra

Then probably the pinnacle of my music career was when we graduated from high school our high school band and the high school band from Bowling Green Kentucky actually went to Europe for I believe two and a half weeks and toured Europe and played concerts throughout Europe for that period

I came back to Tennessee went to the University of New Mexico and I haven't picked up a set of drumsticks since [Laughs]

CASTANEDA When you graduated from high school what led you to the University of New Mexico?

BLEVINS It was the best undergraduate school in the nation for someone interested in anthropology and archaeology and really what it boiled down to was you were going to get the practical training as an archaeologist Obviously the finest schools in the nation Ivy League schools wherever they offer courses in anthropology and archaeology but it's not that easy to walk out the door and apply that

At the University of New Mexico there was more than ample opportunity They ran summer Field Schools There was a lot of

ongoing archaeological research that the anthropology department at UNM involved itself in either in salvage archaeology or in federal grants or whatever. So there was always something happening

CASTANEDA: So you were able to declare your major right away, it sounds like

BLEVINS: Yes

CASTANEDA: Were there professors that were influential or that you admired particularly?

BLEVINS: Again, the University of New Mexico experience was interesting because again you have to sort of put it in the context of what was going on in the rest of the world. I graduated in 1971 in that summer while I was in high school. But what had happened in Albuquerque—I'm trying to make sure I've got the sequence of years correct here

The University of New Mexico was a unique place in relation to the national administration and the Vietnam War. I wasn't there when it happened, but the rumor at school was always in 1969 that the faculty of UNM voted that Richard M. Nixon should be impeached. So that was two years before I got there.

In the spring of 1972, there was a lot of campus unrest at UNM. There had been campus unrest the spring before. I actually don't remember when the bombings of Cambodia became public, but I'll state this as I remember it: the story. What I remember is that they became public in the spring of 1971.

CASTANEDA I think that's right

BLEVINS As luck would have it Jane Fonda was already scheduled to speak at the University of New Mexico the day they became public so she gave her speech

CASTANEDA What good timing

BLEVINS Yes She gave her speech There was a lot of unrest at UNM The governor at that time Governor [David] Cargo called out the National Guard They actually burned businesses along Central Avenue which as in every university town you've got the strip that services the university and that was it

Interesting enough I remember one of the first trips into the bookstore there was a large poster on the wall that you could buy and hang in your room and it showed a woman dragging two small children behind her and there were a line of National Guard troops running behind her with bayonets drawn It just said UNM 1971 So that's where UNM was putting itself during the war years

In 1972 they had a similar problem and I honestly don't remember what the event was that triggered the unrest on campus but it was a situation where again the way I remember it the Vietnam Veterans Against the War actually identified UNM as a national headquarters There were large demonstrations on campus I never knowingly participated in a demonstration but typically law

enforcement's reaction to a crowd of three or four thousand students was all students were the same and from their perspective they probably didn't know who was a bystander and who wasn't

I was tear gassed during those periods. Tear gas covered the campus. I remember that we could not communicate outside the campus for a day. I remember protesters going to Interstate 40 and Interstate 25 and blocking traffic on the interstate. I actually remember an astronomy professor standing up there toward the—this all happened right before finals and basically being emotionally distraught about the fact that the country was going to hell in a handbasket and announcing that we all got As and we didn't need to come back to class. So it was quite an educational experience.

The professors that I tend to remember at UNM were people that were associated with the anthro[pology] department. Again, my good fortune is I would have to—and I'm not going to belabor this interview with all this detail, but one of the ironies is that there was a professor there named Dr. Frank Hibben and there was another professor there named Dr. Louis Binford. As an undergraduate, you could not have asked for anything better, because Frank Hibben represented everything that the—quote, unquote—'old archaeology' was about and old archaeology was about going and excavating sites and making up stories about what you thought you were seeing.

Louis Binford who was a graduate student at the University of Michigan—I believe I've got this correct—he had penned an article in the 1960s entitled *Archaeology as Anthropology*. It was a seminal piece in that he exposed the fact that archaeologists were not doing true scientific research. There were no hypotheses involved. It was the old classic deduction versus induction debate. So Binford became known as the father of the new archaeology.

To have both of those people, their offices within twenty-five feet of each other, and being exposed to those two views as an undergraduate, you were getting an entire spectrum of what archaeological academia was going through at that moment in time.

I worked on sites for Frank Hibben as a freshman and sophomore. I never worked on sites with Lou Binford. Binford tended to—I think in that period he had a real fascination for Alaska and spent time in Alaska studying the movement of Eskimos and the archaeological record they left, again, trying to get at this looking at what—typically people would go and dig a site and find things and make a judgment that those things represented the activity at the site. What Binford was discovering is that at least in semi-nomadic situations, people would basically throw away the things they weren't using at the site and then move on. So there's actually no correlation between what people—people had brought things with them to the site that may not have had

use anymore. They dumped them there and were doing a completely different activity. But when you excavated the site, you discovered the artifacts from the prior activity. So it was again furthering this induction versus deduction debate.

Then just to make the story complete, I started attending the Field School, the University of New Mexico Field School. The year that I attended, this would be the summer of 1973, would be my first year. I was a student as part of the Field School and earned credit for that. This occurred at a place called Tijeras Canyon or Tijeras Pueblo, which is just east of Albuquerque and between the Sandia and Manzano Mountains. It's the one passage that Interstate 40 could find its way through in the mountain range there, and in essence, it's how people flowed in precontact times between the Rio Grande Valley and what's known as the llano Estacado, which is the plain area of eastern New Mexico and the Panhandle of Texas. So you had a lot of population squeezing down and passing through that canyon, and it was again a very interesting place to carry out archaeological investigations.

Then in the subsequent two summers, because I had field experience, I actually was paid as a graduate student to work for the Field School.

CASTANEDA: You were still an undergraduate?

BLEVINS

I was still an undergraduate which didn't please all the graduate students too well because I was obviously taking a slot. But I ran what was then the archaeological survey through Tijeras Canyon which was one of the preliminaries that was necessary to actually complete Interstate 40 to Albuquerque from eastern New Mexico.

Actually when they began to build the highways we did a lot of archaeology. I worked for the Museum of New Mexico to carry a lot of the archaeological research in terms of the salvage archaeology work where ramps were going to be and the highway was expanding and where there was going to be destruction of sites along the path.

In those subsequent two years I should point out that my professors one was Dr. James Judge who had distinguished himself doing a lot of paleo Indian work in the Southwest. He eventually became the director of what was known as the Chaco project. There was a new set of excavations at Chaco Canyon, New Mexico. I spent a lot of time in Chaco Canyon but I was not part of those. I'd left school by the time those excavations started.

I also worked for the last professor at one of the Field Schools a woman named Dr. Linda Cordell. I believe she received her degree from the University of California, Santa Barbara. I believe this is correct. Or was she at Berkeley? I'm not going to remember without

going back and looking But she was educated in California as a professor as I remember it or as a Ph D

She was at University of New Mexico She then came back and worked at the Natural History Museum in Golden Gate Park [San Francisco California] She was the resident curator for anthro and archaeological holdings there for a period of time and then I believe she's now in Colorado at Boulder Colorado State University maybe

But those were the professors that in essence shaped my view of anthro and archaeology as I was a student there

Despite all the goodness that all the others provided me if I had to pick one that had the greatest influence on my thinking it was probably Binford because what Binford seemed to at least train me to do was to identify patterns Once you had a sense of patterning I mean ironically you couldn't get caught up in the patterns because you'd find yourself doing the old archaeology You would want to test the hypothesis and not go in with a preconceived notion

But when a lot of people were looking at the world in one particular direction he was looking at it at ninety degrees of that and I think if I go back and try to figure out where the first human being that sort of really forced me to think outside the box it was him Obviously that's affected my thinking in terms of problem solving and everything else from that point forward in time

I've approached problems through my professional career in state government—I've approached them initially as a social scientist and brought all that as part of my professional acumen in order to do my job. Politics is just another form of social science.

CASTANEDA: Let me change the tape.

[End Tape 1 Side A]

[Begin Tape 1 Side B]

CASTANEDA: You've talked a lot about your experience with the professors in archaeology and anthropology, and yet you were also seeing protests and social movement. Were you becoming interested in politics or policy at that point, or was this becoming an interest of yours or just something you were observing?

BLEVINS: The nature of a good social scientist is, in fact, they are nothing but an observer, because they will become somehow influenced if they start to take sides on things, form judgments about things. So in a perfect world, a good social scientist never really goes in with a preconceived notion, because you've got to be pristine in your view of the world.

I think I was primarily an observer. Obviously, the thing during that period that came the closest to current events affecting my life was the lottery relative to the draft. That was a situation where luck intervened. When I was of age, there were two lotteries before the war ended in Vietnam, and in both cases I had numbers that were high in

the lottery process. So I never had to disrupt my schooling. I never really had an interest in joining the military. I'd grown up around it. My father had remained in the National Guard for his entire professional career. So I was around the military.

CASTANEDA: So what is your impression of the protests? Since your father's in the National Guard, do you feel torn or do you have sympathies one way or the other?

BLEVINS: In looking back on it, I think what happened through the fifties and sixties—the children that were put into the educational system in the fifties and sixties were, for lack of a better term, what this country does best is they mass produce things. They mass produced students and told them that the world was a certain way. As those people became of age and began to see decisions being made that didn't line up with a lot of the fundamentals that we thought were basic as children growing up, then I think it was only a natural outcome that people began to question. In so many words, "You told us it's done one way and now you're doing it another way, and that's not right."

A lot of people, I think, got real smart about politics real quick. I actually believe I'm part of a unique generation. A hundred years earlier, it was the Civil War. I'm the first generation that doesn't remember anything but television. In terms of where I fell, being born in 1953, I grew up with people going into space. I'm the first

generation that grew up with people going into space I watched the news play out every night from six to six fifteen on the fifteen minute national news

I think it was probably a combination of media the fact that the media was now in places and you saw firsthand events on film that happened that day that probably made a lot more people politically aware of what was going on

Of course you were raised that the President of the United States is something that is sacrosanct in terms of the office and the respect So at the age of ten I saw one president assassinated Five years later you had someone who in theory was preaching fundamentals in terms of how people deserve equal treatment and that gentleman was assassinated I saw a presidential candidate assassinated within a few months of that saw another president say he didn't want the job anymore and about five years later saw one resign So I think you can't help but create some natural distrust skepticism whatever you want to call it in a generation that happens to be between the ages of twelve and twenty five when all that's happening

So by the time I saw those protests at the University of New Mexico it might have been more odd that they *weren't* happening as opposed to the fact that they *were* happening But at that time I wasn't focused on politics at all I think I was more interested in basically

what made us all tick as human beings and how much what we thought and what we believed in were a lot of times driven by culture. And in the culture, if you peeled the culture back, that fed back into environment. The term is environmental determinism. So I was becoming, for lack of a better term, enlightened about the connection between the natural environment, the cultures that human beings develop in order to cope with that natural environment, and because we have so much technology, it's a little tough to pick that up these days.

But if you peel the clock back a few hundred years and study how people interact in an environment, how their mythology and their culture is so much a component of that natural environment, you get a sense for how important it is.

CASTANEDA: We sort of talked about that, the effect the environment had on you. As you're getting towards graduation, are you still focused on archaeology and anthropology?

BLEVINS: Absolutely. In fact, I had every expectation of going forward for a Ph.D., not so much to teach, although that probably would have been a necessary outcome if I'd planned to make a living, but I enjoyed the fieldwork immensely. Every site was a new puzzle, for lack of a better explanation.

I can tell you having been in the field and been an archaeologist for an extended period of time you go to a cocktail party and before too long you find out that everyone wants you to talk about being an archaeologist because somewhere in their past they wanted to be an archaeologist as well but they'd never met one and asked them questions

It's also not the glory that *National Geographic* magazine makes it out to be. It's extremely hard work. But that was also part of the challenge was just see how far you could push yourself sometimes I had every expectation of going on to graduate school. Interestingly enough on my very last final walking out of that final back to my apartment I had this premonition that that was the last final I was ever going to take and as it turned out that was the case

I basically spent some time working in Albuquerque. That summer the summer of '75 I worked on archaeological projects in Tijeras Canyon as they were completing I-40 and then helped some folks with a business they had started in Albuquerque for about six months. This was a precious metal casting business. Indian jewelry was all the rage at that moment in time and so there was work to be had

Then in February of 1976 I basically returned home actually with no plan at all. My parents were kind enough to let me sort of lay out

and find myself Interestingly enough and I honestly don't remember how this evolved but I somehow had word that there was an opening at Oak Ridge Associated Universities for what were known as teacher demonstrators The American Museum of Atomic Energy it was called then was located on—there had been I think at one point an effort to bring it into the Smithsonian [Institution] realm but the locals were not about to go along with that I think actually Senator Howard Baker intervened at some point to ensure that that museum stayed in Oak Ridge

Oak Ridge Associated Universities is another unique situation in which—and I'm probably overexaggerating this point but I believe prior to World War II there might have been two electron microscopes in the United States and when the war ended and they dropped the fences in Oak Ridge at least halfway there were 100 electron microscopes there It didn't take the university communities long in the Southeast to realize that this was an extremely valuable research opportunity

Obviously the federal government was interested in proving that there were benefits from nuclear power because it started in its most destructive way from the public perception standpoint And so there was a consortium of universities in the southeastern United States that was formed and based in Oak Ridge called Oak Ridge Associated

Universities They basically became the infrastructure for grad students visiting professors whatever to flow in and out of that National Laboratory setting and receive training education whatever

They also began to take on a public front in the fact that they were involved with the American Museum of Atomic Energy My first memory as a child of teacher demonstrators you went to the Museum of Atomic Energy and they would put a show on for you It would be the person who gave the canned speech about atomic energy and its history how it worked did some demonstrations to show you things and then you moved on into the museum

Oak Ridge Associated Universities was also the Atoms for Peace front They ran the public programs that were financed Well actually I don't know how they were financed There might have been a combination of federal funds and actually utility funds because the electric utilities had an interest in promoting nuclear power

I went there and got the job and went through a training Again this is a way station I was in my hometown and this was going to be a way to have some income coming in so I wasn't feeling totally guilty living in my parents' house I went through the seven or eight weeks of training knew that I could possibly be sent somewhere to do these programs and these programs were a combination of going to high

schools going to Rotary Clubs going to conventions and it was a van packed with equipment and you went and did these programs

The program that was in play there at that time was something called Energy Today and Tomorrow It was a program that focused on the general nature of energy Interestingly enough at that time it had a pretty big energy conservation push to it This would have been right after the embargo so yes this is 1976 I m in the summer of '76

Of course word came out that Pacific Gas & Electric Company in California had given money to the University of California at Davis to create some kind of a program to go out and talk to people about energy I wasn't at the levels that were necessary to know how that deal came together between ORAU PG&E and U C Davis But the point was that U C Davis contacted ORAU and they wanted a program and it was going to be funded by PG&E

I got call in and was asked if I'd be willing to go to California I asked why I was selected and was told that I had hair longer than anyone else [laughter] and that in California I would fit in So I was twenty three years old and didn't have anything better to do so I came to California for nine months lived at Davis worked out of the University Extension at Davis and every week was on the road doing a high school or some civic club organization It was about a forty minute program I still have the tape where we had to preview the

program for the chairman of the board and the board of Pacific Gas & Electric Company

So in 1976 I'm in San Francisco in PG&E's huge auditorium that they have in their building there and it's me and the officers were sitting on the front row and the rest of the place is completely empty and I have to do this show for them. Again, being twenty three, I was probably too young to know how ridiculous that may have looked. And they approved of the show and then I took it on the road for nine months.

We had to keep records and in that nine months I spoke to 72,000 high school students in California. I think the program probably was very good and everyone had to fill out an evaluation form. But the fact that I was twenty three and not that far removed from the people I was speaking to, I think had an impact. In fact, I can remember being down in the Central Valley somewhere, Modesto or Merced or somewhere like that, going in and getting a hamburger, going up and down, and the girl selling the hamburgers said, "Aren't you Mr. Energy?"

I said, "yeah" and we talked about which high school she went to. She says, "I've been bothering my parents about a car, but I came home and told them I think I just need a bike. I don't need a car."

I said Well you know that s a good way to think It isn t that cars are bad You use what you need

So that sticks in my mind because when you re transient like that you don t have any idea that you re having any impact and you re going through the motions Then to have someone sort of circle back on you and let you know that you ve changed their thinking in some way that was positive feedback So I felt like I d done a good thing for that nine months

CASTANEDA Were you still thinking about a career in archaeology or anthropology?

BLEVINS At that point? [laughter]

CASTANEDA Yes at that point

BLEVINS You know at that point events started taking over because of the rest of the story and what leads to why I m sitting here is that literally there d been a new state agency formed in the State of California called the California Energy Commission While I was bustling around California they were dealing with some pretty heady issues

I had not really liked California that much while I had been here I had been to all kinds of places in the San Joaquin Valley I d been all the way down the coast from San Francisco down to Pismo Beach so I had a pretty good feel for the cross section and the diversity of California certainly economically I was pretty much ready to go back to Tennessee and figured that I would go back to Tennessee and

possibly do something in government related to energy That was my notion

I actually went back and investigated the possibility of going to work for the State of Tennessee in their energy office Again you have to remember those times Energy was an extremely hot topic and state governments were doing everything they could to form themselves around the issues The federal government was making money available and it was one of the key issues of the day In fact the embargo was still quite vivid in people s minds and then they realized it affected the economy Now people were beginning to see what a jump in the price of oil does to the economic machinery of the country and the world So it was becoming an issue du jour

But as I left Davis I mean I literally was planning to leave Davis I got a call from someone who was in this new state agency called the California Energy Commission They were starting a new energy education office and they asked if I would like to come interview for a job I literally had the van packed and I just did it on my way heading south on 99 to go back east I went into the offices at 1111 Howe Avenue and gave an interview I always joked that it was probably the best interview I ever gave in my life because I didn t want the job So I told them all the great things I could do for them but the fact that I wasn t interested in the job and left town

They continued to call after I got back to Tennessee and this went on for about three months. It's one of those situations where I just simply woke up one morning and had this feeling that my destiny was in California and not where my home was or I'd grown up and accepted the job and drove back out to California and told myself I was going to go to work with the Energy Commission for one year and see how I liked it.

I went in as a staff services analyst range A which the Energy Commission had some classifications so I was immediately one day later switched to an energy analyst range A. And instead of being there for one year I was there for seventeen.

CASTANEDA: When you went back to Tennessee, did you work in Tennessee at all?

BLEVINS: No, I completely laid out. This is actually an attempt to see if I could find—I was exploring the possibility of going to work in Nashville so I wasn't completely bumming around. I knew that I had to sort of get with the program.

CASTANEDA: Did energy have the same sort of imperative in Tennessee as it did in California? Do you think you could have gone to work for the energy office in Tennessee? I'm not familiar with what they had going.

BLEVINS: It's like there's California and then there's the rest of the world and I think I had some sense of that at that time. Tennessee energy office probably had about thirty people in it. The California Energy

Commission had been created I think I was in the last wave of employees but when I got there it was hovering between four and five hundred employees

As you did the research you realized that there were things happening in California and again I couldn't appreciate what was happening I didn't appreciate until I got there and became part of it But there were things happening in California that were clearly stimulating for lack of a better term I was still young and was idealistic and all those things that come with youth

I think probably also part of the social scientist in me was driving me as well because I had a sense that this was the cutting edge of something Again any good social scientist wants to be there as the observer and in this case the participant in things no matter how narrowly focused they may be that are cutting edge in nature As it turned out there was in fact a lot of policy initiatives moving forward that had changed the world's thinking on a variety of issues related to energy at the California Energy Commission in the early years

CASTANEDA What is your impression or can you describe the Energy Commission when you started to work there in terms of people?

BLEVINS It was graduate school I never got to graduate school so I can't really have some sense of it because I sort of operated as a graduate student and ran with graduate students at the University of New Mexico But

it was a place that was not unlike—I mean you almost have to move back in time in the environmental movement in California because everywhere else in the United States the environmental movement appeared from the top down In other words there was some leadership from the top down that ultimately designed environmental regulation for that state In the State of California it was exactly the opposite The environmental movement was from the bottom up You had air districts before the national government ever cared about dirty air

So there was a huge amount of activity going on and I got there at the moment where the classic debate that had started when the RAND Corporation published a report that ultimately led I think to the formation of the Energy Commission that was projecting all the electricity that was going to be needed for the state into the future and how many nuclear power plants were going to have to be constructed how many coal power plants were going to have to be constructed and that stimulated any number of legislative initiatives

The Arab oil embargo had created its own initiative and so as the legislature goes there were any number of disjointed bills as I understand it floating through the legislature What ultimately happened was they came together in the context of the California Energy Commission being formed as a new agency

Ironically I worked for the chairman of the commission for a number of years and he always took pride in the fact that the commission although associated with Governor Jerry Brown had been created by Ronald Reagan. It was Ronald Reagan who signed the legislation that created the California Energy Commission not Jerry Brown. Jerry Brown populated the commission but it was—quote unquote—Ronald Reagan's vision.

I can't remember the context but I can remember that the chairman wanted me to find Governor Reagan's signing message for the commission because that particular chairman was always marketing the commission. So he had some particular spin he wanted to put on it vis a vis Reagan at that time. So we tracked it down through the archives in some way and got a copy of the signing message. The rest of the story is that when you read the signing message it basically said, "I think this is a bad idea and I don't really want to sign it but my advisors are telling me I should sign it so I'm going to go ahead and do it" which wasn't quite the endorsement that the chairman of the California Energy Commission was expecting.

[Laughter]

CASTANEDA: No, it wasn't. Not something you can use in your speech.

BLEVINS: That's right. But in terms of my motivation in coming to California I had a sense that something was going to happen there. Again I was at

the lowest level of state bureaucracy as a profession you could be at but there s still something intoxicating about becoming part of that

CASTANEDA As an energy analyst what are your duties?

BLEVINS When I came to work in the agency it was called the emergency planning and energy education office so they had two halves they couldn t quite make a whole office out of so they combined them which is a notorious practice in state government

But initially what I ended up working on was something called the *Energy Resource Handbook* It was supposed to be a handbook for high school students where they could go in basically any aspect of energy technology or an energy issue it was supposed to be a nice crisp explanation of what that thing was It was sort of like an expanded glossary So if someone wanted to know what a light water reactor was you could go to the tag pull it back read what a light water reactor was how it operated But as you might imagine doing that across the board on everything relating to energy it was a very thick document

CASTANEDA An encyclopedia it sounds like

BLEVINS Encyclopedia basically To the best of my knowledge it never went anywhere even though I spent a year working on it

CASTANEDA Wasn t published or printed?

BLEVINS Wasn't published that I know of no. But in the old days before computers, it was ideal for cutting and pasting the boilerplate into things that you needed in order to get to the sexy issue part of anything, because right there were canned summaries of what something did or how it worked or whatever the case may be. So it probably got published many times over.

CASTANEDA Yes, separate resources.

BLEVINS That's right. Not in the collective.

I was with that office for a period of time, and then we had the 1979 gasoline crisis in California. There were a variety of things. I think at that point in time I was with the fuels office in the Energy Commission.

The Energy Commission had five specific mandates, and the first one that got out of the door in 1975 or 1976 was an Energy Shortage Contingency Plan for the state, which was one of their specific statutory mandates. They wanted to get something out quick, as all agencies do, wanting to put their mark out there and let people know they are there doing their job. So they, in essence, contracted out the development of that plan. The plan was supposed to be updated every five years, in statute.

So in 1979, when the gasoline crisis began to occur, the commissioners were aware of the fact that another plan was

imminently due in about a year and a half. So I eventually evolved in being the project manager for that contingency planning project where the commission in house created its own contingency plan for the State of California in the event of energy shortages.

There were a variety of commissioners over time that were on committees. The commission still to this day organizes itself to get work done on a day to day basis as committees. It's a full time commission and so they break into committees of two commissioners and they would work in specific areas.

There was an Energy Shortage Contingency Planning Committee. Over the life of the particular project I worked on it had as its members Commissioner Emilio Varanini, Commissioner and Chairman Russell Schweikart, Commissioner Arturo Gandara. There are probably a couple I'm forgetting that were second members on the committee along the way.

CASTANEDA: I printed out this list of commissioners.

BILAS: Let me look here real quick. Right now I'm just looking to see if I'm missing anybody that I remember being on the committee. No. There's Arturo Gandara.

For the most part, Commissioner Varanini was the planning force behind the contingency planning effort. We spent quite a bit of time—

I guess the popular phrase right now is following the money and trying to basically understand how the oil industry operated

Also during that period of time there was a piece of legislation passed called the Petroleum Industry Information Reporting Act which basically put the Energy Commission in a public policy position of knowing at least inside of California how all petroleum products were moving in the state knowing how much was stored and it had a rolling ninety day forecast to have a good sense of what was happening

You would think that this was a piece of legislation the oil companies might have opposed but the way I understand it they actually saw it as an advantage because to some degree they were always being accused of collusion What the legislation allowed for was even I when I eventually became executive director of the commission I could not see the company specific data coming into the organization So there were a couple of staff people on the commission staff that would collect this company specific data As you might imagine from market share and all the other considerations is a pretty sensitive issue with the companies themselves

CASTANEDA Why couldn't you see it?

BLEVINS Because in essence that data was only supposed to be seen in its aggregate and you really only needed a couple of people to sort of

take it in its part and aggregate it so that you're getting a general picture because everyone recognized that it was not a good thing for people to put out company specific data because you were violating their confidentiality of the company in terms of how they do business

CASTANEDA Who was designated in the Energy Commission to see that?

BLEVINS There were just a couple of staff people in the fuels office and they had the key to the safe with the company specific data. This program as far as I know still operates. But it gave the Energy Commission very good information in terms of how petroleum products moved and operated in the state. It actually gave the industry itself an out because they could simply say, "We only know about our company. If you want to know about California as a whole, go see the California Energy Commission."

CASTANEDA Look at the aggregate

BLEVINS Right. So that was a very easy way to diffuse rumors of tankers offshore. Again, at that time, there were all kinds of conspiracy theories abounding, and I'm sure, as is the case in everything like this, there are people doing strange and maybe even possible illegal things on the fringes. But under the major part of the bell curve, it's business as usual and people actually competing pretty intensely against one another.

CASTANEDA You're referring now to when you were executive?

BLEVINS No no I m sorry This is still in that 1979 period when in essence the energy crisis had once again risen its head in the form of a potential disruption of oil supply

CASTANEDA And people are talking about conspiracy and collusion

BLEVINS Right

CASTANEDA And it s the oil companies causing the shortage

BLEVINS Right And were trying to peel that onion Part of what we were trying to do in the contingency planning project was to get to the bottom of all that

CASTANEDA What was the commission s view? How do you deal with that when there s so many different points of view?

BLEVINS What we did from a constituency standpoint we held public hearings all over the state We held conferences at places like USC [University of Southern California] We participated in simulations with the RAND Company We participated in simulations We had started what was known as AST tests allocation supply tests and this was their ability to see how they could move oil around in an embargoed situation and basically allocate those supplies to different parts of the country

Of course the interesting public policy dynamic was that in World War II the United States was organized in these PADS which were called Petroleum Allocation Defense Districts which basically again

dealt with regions of the state and ensured equitable or necessary distribution of petroleum. Even into the seventies, the federal government was still viewing the United States in those terms as they did their business.

What happened though was that PAD 5, which was the West Coast California, has absolutely no interconnection with the other four PADs because of the Rockies. In terms, I think there was one for all practical purposes, meaningless product line that ran from L.A. to New Mexico or something like that. So the federal government was constantly setting policies that worked for PADs that were all interconnected, and PAD 5 was just sort of left out there to try to make the policy work in some way.

What happened first of all, there was all kinds of public hearings. We went to the trouble of circulating drafts of energy shortage contingency plans and endeavored to get as much constituency buy-in in terms of what the final plan might be.

At that time, the national government was wanting to have a specific set of actions. They wanted to know the specific set of actions that states were going to take like at a 2 percent shortage and a 5 percent shortage and a 10 percent shortage. So all contingency planning from the energy standpoint, and when I say 'energy' in this context, we're really talking about oil, because to some degree, electric

supply disruptions had been institutionalized into OES and the Public Utilities Office of Emergency Services and the Public Utilities Commission as part of their annex for responding to natural disasters of that type or even if power lines went down for some reason. People were familiar with all that.

The thing that made the oil situation so interesting is that whereas electricity you could follow those electrons along a line or follow natural gas through a pipeline or whatever the case may be, that petroleum product distribution system was diffuse, and so if something went wrong in the oil system, you just couldn't go and put the power line back up, particularly if it was a shortage of supply, because those supplies would then start moving anywhere they could in the absence of some kind of price or allocation controls.

Price and allocation controls were still, if I remember this correctly, the backdrop to the federal government's response to an oil shortage, which means that they would control the price and they would redistribute the supplies in some prorated amount associated with historical supplies.

Northern California is a great example of how that does not work, because immediately you end up with a situation where all the people—well, actually Southern California. I'll use the gambling analogy here in both cases. Basically, when people are uncertain

about petroleum supply they stop driving. So if you're redistributing gasoline based on historical consumption, you're seeing a whole lot of gasoline to Reno and Las Vegas that basically is not going to get consumed because there's no one out there to consume it, and they're staying in town looking for gasoline in Sacramento and Los Angeles.

Invariably, that little public panic and a few other things led to gasoline lines in California. The perfect political response was discovered in California when they came up with odd-even purchasing schemes in both 1973 and 1979. It really did very little other than provide some consumer assurance that they didn't have to stand in line, that they would get gasoline on a given day and not everyone would be there the same day they were there.

It was a great political thing to do because it made the politicians look like they were accomplishing something, and in effect, they weren't messing around with the basics of the systems so that they weren't creating more problems.

CASTANEDA: So that was legislation that created all this?

BLEVINS: Actually, as I remember, odd-even were executive orders, and I've lost the memory if they were ever statutorily embodied. But this is all leading to the point with regard to what we ultimately did in terms of an energy shortage contingency plan in the State of California. We basically came to the conclusion that the kind of plan that said you did

this at 2 percent this at 5 percent this at 8 percent was exactly the wrong thing to do

So we went a completely different direction and I think with some success convinced other people ultimately all the way to the federal government that the nature of an oil shortage particularly if it's a supply disruption from outside the boundaries of the country is such that as soon as you think you know what you will do in advance that plan becomes worthless because the moment it doesn't align with the expectation of what is supposed to happen people then stop relying on the plan

So ultimately what we ended up doing for the plan in California was coming up with a whole list of measures without tying them to any kind of percentage shortfall basically saying These measures will produce these results Then we embedded in them all the infrastructure under each tab for each measure so that as soon as something happened and you wanted to do that measure you flip that tab It's not unlike sitting at mission control at NASA There's the list of things that you have to do to in order to make this measure happen and all the forms that you need or the draft legislation anything that was potentially necessary

So in that little piece of public policy in preparing for oil shortages we chose not to subscribe to the conventional wisdom of doing a

specific action at a specific percent shortfall but said that you don't want to commit yourself to any action until you understand the specific nature of the problem and how it's manifesting itself

CASTANEDA We're going to run out in just a second

[End Tape 1 Side B]

[Begin Tape 2 Side A]

BLEVINS We were speaking about the 1979 gasoline crisis in California

CASTANEDA Right Would you like to continue with that?

BLEVINS I think the point there is that that first plan had some national import by virtue of the fact that it took a completely different tact at the problem and also I believe was the correct tact

As history has passed the rest of the story is that we have gone to a non regulated price of gasoline at the pump and price is the first allocator of the supply under our current state and federal policy That is something that our plan actually recognized back in 1979 and we endeavored to come up with a list of actions that would be responsive under both scenarios where price was allowed to rise as supply cannot keep up with demand and deal potentially with the social inequities associated with that or a situation in which supplies were specifically allocated to locations

It became more of a physical problem to make sure that there was enough supply in all the locations where the demand was actually

going to occur under the shortage condition wherein as the people as I mentioned earlier people might stop driving so you want to make sure there's enough supply in those places where they were now in the crisis situation versus where they used to be historically

CASTANEDA How are the Energy Commission's recommendations implemented?

BLEVINS The end of that process was—and obviously again when we did this as a state agency versus contracting it out there is a very clear and specific and thorough Emergency Services Act in the State of California. The governor of California has actually in comparison to most of the other governors has what I think are probably the most far reaching emergency powers of any governor of any state. I guess if we took a look at this historically this is maybe one of those things that actually goes back to the earthquake in 1906 where in essence it didn't matter what your real job was. If you were needed to do something to deal with a calamity the governor had the power to direct you to do that. My favorite way of putting it is if I'm sitting in my office and the river starts to rise and the governor tells me to go fill sandbags I don't have a choice. It's very explicit in the statute with regard to those powers.

What we ended up doing the Emergency Services Act and the State Emergency Plan at least as it was then—it's been a while since I've looked at it—was a general plan about how local government

interfaces with state government and how states of emergency are declared. And then for specific kinds of emergencies, they appended onto the statewide plan what were called annexes. What eventually evolved relative to the plan that the Energy Commission developed, that plan became an annex to the overall statewide emergency plan. So that if there was a—quote, unquote—energy problem, the Office of Emergency Services would go to that annex. Invariably, there are specific roles that are played by the Energy Commission, the PUC. It depends on the nature of the energy emergency, whether it's petroleum or electricity. Again, these tend to be disruptions of supply. All those potential actions and their impacts and their implementations are supposedly in that annex to guide people through the steps.

I don't believe the statute has changed. The Energy Commission has updated, I think, every five years and is still required to update the Energy Shortage Contingency Plan. They did the first one in '76. We did the update '81-'82. I was there at the Energy Commission, although I was directly involved in the subsequent updates of the plan.

CASTANEDA: Then, in this case, oil companies are required to follow the plan?

BLEVINS: Again, the plan has a set of actions, and potentially if there's a need to have supplies redistributed in some way, there are actions imbedded there that either the governor or we appeal to the federal government.

to make those supplies in essence be redistributed or allocated if there's that kind of a particular emergency

Invariably what we find with oil shortages is that it's a disruption of supply from outside the United States. It's a free market, and so invariably you're dealing not so much with the supply impacts these days, but you're dealing with the economic impacts of the price of gasoline going up fifty cents to a dollar. We're sitting here in 2003 now. In recent years we've seen that play out, most recently in relation to the war in Iraq, in which the supply system becomes nervous and people pay a little bit more for security of supply and that translates its way through the system.

CASTANEDA: Are oil companies giving their input on how to implement plans?

BLEVINS: When the plan was originally put together, yes, they were one of the constituencies that had to provide the input. They didn't ultimately shape the plan. To some degree, the plan is of no threat to any of the constituencies because it's only active if there's a problem. So I think the political nature of things are that they probably live with a lot in terms of the development of the plan, with the expectation if they had to make a point about something that was not, they thought, in their interest, they would do it at that time.

CASTANEDA: Because the gas lines didn't really last that long, did they, in '79?

BLEVINS

Well again people had become accustomed to odd even You're in an interesting situation You're talking about gas lines to someone who actually did a lot of work on them in terms of the odd even executive orders in terms of the impacts how they worked etc Ironically I was a social scientist doing that as opposed to an engineer of some kind or a policy wonk or whatever other classification of person you want to apply to the job

In the final analysis the odd even program was as much security in the minds of the people that they could acquire gasoline on a given day and gave them some assurance that they were going to—quote unquote— get their fair share because invariably you're getting in a line because you feel that it's going to run out before you get there under your normal schedule

I think one of the other interesting things about odd even and what people don't truly understand about how petroleum flows in this state is at that time there was a certain number of gasoline stations retail outlets in California in 1979 with a certain number of pumps The automobiles themselves represent a huge storage capacity if they fill up their gasoline tanks So you have a lot of supply literally locked into the infrastructure of the automobile itself

We sat down and figured out that if on the first day 25 percent of the vehicles showed up and topped their tanks off and then the next

day—oh I m sorry it was a third The first day it was a third Then the next day that third showed up with the second third and then the final day all three thirds showed up to top their tanks there d be no more gasoline left in the State of California So within a period of three days you could get all of the supply into the gasoline tanks of the automobiles at that time

Again that calculation would have to be redone because that s been twenty five years ago but given the number of stations and the number of pumps and those kinds of things that was the kind of result So it gives you a feel for how dynamic that distribution system is and how behavior can play such a huge difference in the price particularly now since the price is in control

CASTANEDA In terms of the people you were working with when you first started Richard Maullin was the chairman

BLEVINS Richard Maullin was the chairman of the commission Again I was a lowly staffer so I didn t have much interaction at the commissioner level and didn t have many items that would go before the commission for business

The contingency planning process was actually—it s one of those moments in your life where you drudge away at something you kind of wonder if this is going anywhere or what s the point those kinds of things because it did drag on for multiple years As it turned out the

plan that was adopted that I worked on was adopted in 1983 by the commission. What had happened is a new chairman had been appointed to the commission and his name was Charles [R] Imbrecht. He was an appointee of Governor [George] Deukmejian. He was the first Republican chair of the California Energy Commission. As it turned out, he had come from the legislature. I've noted with people in the past that he was the youngest member ever elected to the legislature.

Interestingly enough, as I understand it, when Governor Deukmejian was elected, Chairman Imbrecht had endorsed Mike Curb for governor, not Governor Deukmejian. Chairman Imbrecht had always been something relative to the Republic Party, at least fit the definition of a moderate Republican, and the Deukmejian administration wasn't quite as moderate as Chuck was. But because of all of the hype that the Energy Commission seemed to receive during the Brown administration and being a—quote, unquote—creation of Jerry Brown, and clearly it was subjected to some of the Jerry Brown appointments that were so notoriously talked about. Although I must say that my experience was that I didn't find anything particularly offensive or crazy about any of those appointees at the Energy Commission. They had points of view, but in my mind, that's what a plural body is all about.

CASTANEDA Who were some of his appointees?

BLEVINS Do you want me to give you the list?

CASTANEDA I can look at the dates but the ones that were notable

BLEVINS I can basically tell you that Richard Maullin was the first chairman of the Energy Commission When he left Rusty Schweickart Russell Schweickart the astronaut was the next chairman As you might imagine that fed the appointee rumors relative to why is a former astronaut chair of the California Energy Commission

CASTANEDA Was there an answer to that?

BLEVINS Having worked with Chairman Schweickart I think energy touches so many parts of society that you really do need people with a broad view in order to balance the different issues In fact the commission's own statutory underpinning tells it to go out and collect a lot of very specific information in terms of what's happening related to energy issues But it then in essence tells the commissioners when forming policy that it's their job to strike a balance between their different viewpoints

The Energy Commission each commissioner is statutorily required to have a different viewpoint One member has to be an attorney one member has to be a member of the public at large one member has to be an economist one member has to be a scientist or engineer and one member has to be an environmentalist So each one of those members

in essence is supposed to debate the pros and cons of particular issues and with a broader view in mind figure out the appropriate balance in terms of resolving that issue

CASTANEDA Schweickart is a scientist

BILAS Schweickart was appointed as the—what makes it a little complicated too is the appointees would come and go They would sometimes shift who was assigned what slot But I do believe that Chairman Schweickart was the scientist engineer appointee and he was the chair

Commissioner Gandara was an appointee of Governor Brown Geoffrey [D] Commons was an appointee of Governor Brown and you can see he was nearly a last minute appointment of Governor Brown He was appointed in December of 1982 He also I believe had some academic history with Governor Brown at Yale University They were both at Yale at the same time and if I remember correctly they may have been roommates for a period of time

Commissioner [Ronald D] Doctor was an appointee of Governor Brown Commissioner [Karen K] Edson was an appointee of Governor Brown Commissioner [Robert] Moretti was an appointee of Governor Brown I wasn't there That was a somewhat controversial appointment because he was a former Speaker of the House and he was thought to be aspiring to higher office and some questioned what

he knew or didn't know about energy and why was he there. But he was an appointee.

Commissioner [Alan D.] Pasternak was an appointee of Governor Brown. Commissioner [C. Suzanne] Reed an appointee. Commissioner [Richard E.] Tuttle. Commissioner [Emilio E.] Varanini and Commissioner [James A.] Walker were all appointees.

Commissioner Tuttle was the shortest serving commissioner and he had already left by the time I arrived at the commission. I arrived at the Energy Commission October the 13th. Friday the 13th in 1977 and he was replaced by Commissioner Varanini. He was there when I arrived.

So those were the commissioners that Governor Brown had appointed in that period of the commission's formation. I had no real business interaction. I had no interaction at all with Commissioner Tuttle because he was gone. Had no really day to day interaction with Commissioner Pasternak or Commissioner Reed or Commissioner Moretti. He left almost when I arrived. And not much with Commissioner Doctor.

But all the others I had some interaction with and some I had a tremendous amount of interaction with. Commissioner Gandara. Commissioner Commons. Commissioner Edson. Commissioner Schweickart. Commissioner Varanini and Commissioner Walker were

individuals that I began professional relationships with and many of who this being the business that it is many are still in the business in one way or the other and are still part of my interactions today

CASTANEDA But were some more knowledgeable in energy perhaps than others? I know their responsibility was to of course be involved but did some have more background than some others?

BLEVINS Actually in looking at the entire list of commissioners over the life of the Energy Commission Chairman Imbrecht had done some energy legislation and Commissioner Schweickart was familiar with energy technologies Jan Sharpless Commissioner Sharpless had been the former chair of the Air Board and was obviously familiar with energy issues on the transportation side and on the air quality side

But in terms of someone just coming in as a commissioner probably the person who had the most hands on experience with energy issues might have actually been Commissioner Pasternak because he was a proponent of nuclear power He had an engineering background so he probably had the greatest sense of anyone in terms of the sheer technological issues surrounding energy etc

But ultimately the Energy Commission all these people have been very bright people and they all understand the public policy role that they play and by virtue of being a full time commission and by virtue of having a specific area that they are supposed to be devoted to it

didn't take them long to develop that expertise and understand exactly what they were having to ultimately vote on in public and what the ramifications of their votes were going to be

CASTANEDA In 1983 Charles Imbrecht becomes chairman Was he a commissioner before becoming chair?

BLEVINS No he was not He was Governor Deukmejian's first appointee to the commission The governor also appointed the chair every two years

I probably should digress a bit here and maybe offer just some comment on the commission and its place in history because probably from '83 on when I became the chairman's advisor a lot of this had been established and the commission had in fact made its mark for lack of a better word

Actually 1983 ushered in a whole different phase of history for the Energy Commission by virtue of the fact that the national government under Reagan was not necessarily proactive on a lot of energy issues and because of California's history in the energy era both in terms of alternatives energy efficiency etc the California Energy Commission in essence became the de facto National Energy Policy Center during the Reagan years But that's sort of the second phase of the commission's history

I was not here for part of these years but clearly being a listener and an observer I formed some judgments about what has transpired

relative to those first years of history at the Energy Commission. I think the first thing to know about the commission is that when it was created, it was the first thing of its kind in the world. It was the first time that people who were responsible for figuring out how much energy was needed in the future, and this is specifically electrical energy, were also in charge of making the decisions about building power plants.

You could go to France, which is a government-owned utility, but in essence, there was not a common decision point. You had the planner over here and you had the power plant siting guy over here, and they really weren't folded into each other's business probably as tightly as they should have been in order to move things forward. There was still independent decision making going on.

The creation of the Energy Commission actually placed both of those responsibilities under the commission, and there was a point where the rubber met the road, where you couldn't build a power plant unless it was needed. What was so important about that was that until that point in time, the utilities were the chief forecasters of electricity demand in the State of California. So they would go to the PUC with their what was known as the econometric forecasting. They would look at consumer price indexes, interest rates, all the economic variables, and make an assumption about what future growth was.

going to be and they were tying energy consumption worldwide at that point. The philosophy was that energy consumption had a direct relationship with economic growth that you could not separate those two variables. They were linked.

What happened a utility would do its econometric forecasting talk about all the new power plants that were needed go to the Public Utilities Commission which was there just to make sure those utilities were spending their money properly and then make a judgment on the frugality or the wastefulness of a particular power plant project but not necessarily question the essence of the need for that power plant in the first place.

The RAND report that I referred to earlier basically showed people a future in which this dynamic would continue and I actually sat down at one point and tried to figure out how much investment that RAND report represented in terms of new energy facilities in California over the twenty five years that was projected. I think if I remember correctly I came to 75 billion dollars. So there was an expectation we were going to spend 75 billion dollars in order to keep electricity supply adequate in the state. This was in the 1972-73 time frame.

When the commission was created it was given five specific mandates. Hopefully I can still do this. I've mentioned one which was the energy shortage contingency planning. Another one was

electricity supply and demand forecasting. Another one was energy efficiency standards for buildings and appliances. Another one was research and development into new technologies. I'm not going to remember the fifth now that I've said that. [Laughs]

CASTANEDA: That's always the hardest one.

BILAS: But anyway, what occurred was, as people came in to do the planning piece, the Energy Commission, the people that were brought in—and this really was an academic environment. Some very smart people from throughout the United States understood what was happening and actually came to the commission for the express purpose of being a part of this exercise. They pioneered a whole new electricity demand forecasting technique called end use forecasting, in which they would go out and actually survey the end users, by SIC code, Standard Industrial Code, to determine what their demand for power was and how much power they were using for their processes, etc. That end use forecasting produced a specific result that was not tied to econometric forecasting.

The other thing that happened is because of the commission's mandate for buildings and appliance standards, to have efficient buildings and appliances sold in California, as those standards became in effect, they had the ability to lay those standard impacts into the forecast. So at a time when the investor-owned utilities and municipal

utilities of the state were planning a variety of coal and nuclear power plants suddenly there was an agency now that you had to come and prove yourself against

The way I understand it was when the bill actually passed that created the Energy Commission it was when the IO the investor owned utility view that no one—they had been doing this forecasting for tens of years and no one would question their expertise against this new little agency that had just been created

Ultimately what happened the power end use forecasting and the superior I'll say information that that provided as opposed to just pure economic model forecasting on top of the impact of the building efficiency standards and appliance standards led to a forecast of maybe 1.9 or 2.1 percent of electric demand growth over the next twenty years

This is in comparison to 6 and 7 percent which was being forecasted by the investor owned utilities That is a huge difference in revenues to the investor owned utilities because they depend on getting a reasonable return on investment If no investments are being made in power plants their amount of revenue flow is diminished They get their 15 percent or 12 percent basically based on how much they spend and the PUC decides if that was for the public good and it's an okay cut

It also gets the other notion that if I could build a natural gas fired power plant for 500 million dollars or I can build a nuclear power plant for 5 billion dollars and they both supply the same amount of power as an investor owned utility my first reaction is to build a 5 billion dollar plant because obviously 12 percent of 5 billion is a lot more than 12 percent of 500 million

But anyway what that ultimately led to—well there are a lot of things it led to and there are people that lived this much closer than I did But that began the near annual process of eliminating the California Energy Commission in the legislature to repeal the statute

CASTANEDA Who was behind that?

BLEVINS Invariably it was the investor owned utilities

CASTANEDA Which legislators are they working with?

BLEVINS You know I wasn't close enough The only thing that sticks in my mind from that time is I do remember Al Alquist The commission's enabling statute is called the Warren Alquist Act which is a combination of Charlie Warren and Al Alquist I do remember Al Alquist making a quote after I arrived and was working at the commission that he felt like Dr. Frankenstein In other words he had created this monster and he had lost control of it

Now I think the reality is that if you ask him what some of his greatest accomplishments were as a legislator I think he would put the

California Energy Commission on that list because again in hindsight it turned out to be a remarkable thing. We didn't spend that 75 billion dollars on power plants; we spent it on energy efficiency investments. We spent it on new technologies trying to diversify the supply. The money got spent, but it got spent for a higher valued outcome.

CASTANEDA: Instead of just building

BLEVINS: Power plants, right? It saved the economy money because that 75 billion dollars is going to have to be basically translated into electricity rates. Those expenditures had to be recovered from the people consuming the commodity.

So in that respect it was a good thing, and it began the diversification of California's energy supply, and part of that diversification is basically using energy efficiently. Clearly the cleanest, most reliable, and cheapest kilowatt hour you can consume is the one that you don't have to, and before too long people realized that that was pretty good business sense, too, and the paybacks were immediate. Also, people began to realize it was becoming more and more difficult to build large central generating stations in the state.

There are so many aspects of this. At this moment in time the national government passed what is known as PURPA [Public Utility Regulatory Policies Act of 1978] legislation, which allowed for

independent generators to generate power and receive the avoided costs of the utility which led to a tremendous amount of cogeneration in the state which again if you step outside the bubble that's clearly a much more efficient use of energy of creating energy and using it efficiently

But I think the commission's real legacy in those first few years all relates to that developing history and what it ultimately did for the first time anywhere in the world people were demonstrating that there was no direct relationship between energy consumption and gross state product in our case. In essence you could actually consume less energy and still have the GSP increase

CASTANEDA With conservation measures

BLEVINS With conservation So the planning had become a lot more sophisticated and trying to hold down unnecessary economic costs became now part of the ongoing process. I think in the small little box that's energy policy and electricity planning and forecasting etc that was a moment in time where that notion broke through and it transcended it moved throughout the world at that point in time. If you trace everything back in time you'll come to that moment where the Energy Commission in California demonstrated that you can have economic growth and flat energy consumption. So to me that is the

legacy of the first seven years seven or eight years of the Energy Commission

There s another whole legislative side to this I probably should state right now that at that time and all through my state government career I ve kept my interaction with the legislature at a minimum and probably accounts for some of my survivability

There are obviously all kinds of legislative dynamics operating behind each one of these issues over time I only know what I ve heard Everything I would be able to comment on would be hearsay relative to that and not firsthand experience But as charged an issue as it was I think everyone would know that the legislature was in there doing its business every step along the way

CASTANEDA Can you say who in the legislature was most interested in energy issues during that first period of time?

BLEVINS It becomes a tad difficult because alternative energy development energy efficiency and energy issues in general energy planning became quickly in California interwoven with environmental issues So typically the legislators who were leading the charge on the environmental front were also leading the charge on the energy front

Probably the one that comes to mind immediately in the history of the California legislature where he sort of embodied the California energy notion in those Brown years would be Tom Hayden as a

legislator. He was someone that was clearly going to be a part of energy and environmental related decisions in the legislature.

More recently, Byron Sher is someone that has always followed those two issues with interest. He was there quite some time.

Al Alquist always maintained an interest in the issues and when I was executive director of the Energy Commission from '92 to '95, I was still someone who was a protector of the commission from those that didn't care that there was a baby sitting in the bathwater and it was all going out the window.

There were clearly others, but in my mind, those are people that jump out.

CASTANEDA: Before you become advisor to Charles Imbrecht, was there a particular controversial episode or issue?

BLEVINS: Well, it's sort of interesting. A lot of things the commission was involved in those first five or six years were controversial in their own right in specific areas. I mean, the commission was trying to implement energy efficiency building standards and that was a constituency group that had never been regulated in that way before. I mean, people building houses and nonresidential buildings were used to dealing with local planning officials. The whole notion that they now had to build houses a particular way in order to meet energy requirements—

CASTANEDA Using certain kinds of isolation I guess

BLEVINS Certain amounts certain kinds The development of the energy efficient building standards was an ongoing debate if you will between those who believed that this made all the economic sense in the world which obviously included a lot of the people who were on the California Energy Commission and those developers who thought this was too much government

Typically people are assigned certain labels because of their party affiliations and I think one of the things that makes me a little bit of an odd bird is that by party affiliation I'm a Republican but from an economic and public policy standpoint as a believer in the free market there are certain things that are necessary for a free market to operate

In the situation of constructing a building or a house you have an incentive there for the builder to build the cheapest thing he can and sell that product to the new owner and the new owner sort of being stuck with all the negatives associated with that In this particular case people were building houses that were not energy efficient at all I mean this is basic technology And because there was no incentive for a builder to do that and because the ultimate price in terms of having to build still more power plants in order to meet that demand there's an obvious public policy need to intervene into that

marketplace and ensure that construction is of a quality that it requires less energy to keep people comfortable and to keep things going

So from my own personal philosophy as much as I love the free market the fact is those building standards are absolutely necessary because consumers were not being given one of the precepts of a free market which is good information about what they were purchasing

There were all kinds of notions of home labeling During that period of time people were actually talking about labeling homes with regard to how energy efficiently they had been constructed and some utilities actually carried out programs along those lines so that you're trying to create some kind of pressure on the builders to construct homes in an energy efficient manner

Again in hindsight when you think about how that initial struggle that went on and then you look at what goes on now clearly everyone has become a lot smarter about the energy consumption of a subdivision Homes are oriented in specific ways

CASTANEDA Right but the homebuilders are not too happy about these rules

BLEVINS At that moment in time they're not happy The building construction industry is not happy at all about the rules Then as obviously time events wear on we're affecting air conditioning and people basically have stocks of equipment that they have to sell and the degree to which the appliances—well the building standards are updated every

three years so each update sort of picked an area to sort of improve the application of technology in the construction of homes

It's actually not that dissimilar from the Air Resources Board always looking for opportunities to improve air quality on vehicles and has the national lead on that activity. California is the first place in the country to implement energy efficiency building standards and so by that fact alone people came from other parts of the country at the national level to ensure that this—quote unquote—didn't get too far out of hand.

The same scenario played out on appliance standards and California began establishing its own appliance standards. This is post 1983 but ultimately California's state appliance standards and other states wanting similar opportunities to develop their own appliance standards led to the establishment of national appliance standards and California played a very key role in that process in the mid 1980s or mid to late 1980s.

But again it goes back to that original legislation that said we're going to have appliance standards in the State of California and statutorily directed the commission to develop those standards.

CASTANEDA Is there interaction between the California Energy Commission and the Energy Information Agency in Washington [D.C.]?

BLEVINS Well historically there has been My experience with the EIA is that it basically collects information on a national basis by state and then republishes that for everyone to use and consume in whatever means

CASTANEDA But that s pretty much all they do is data collection

BLEVINS Is data collection right Yes we fed the data in In terms of process I mean again the commission—oh now I m going to remember the fifth mandate The commission was required to issue a biennial energy plan every two years and although that s not the case now originally there were four individual reports that were done biennially and then those four reports led to a statewide energy policy document That statewide energy policy document was produced every two years It was somewhat unique I think the only other place I know where this exists statutorily is something called the Environmental Goals and Policy Report that was in the Office of Planning and Research statutes in the governor s Office of Planning and Research They were required to I believe look either twenty five or thirty years into the future relative to trying to determine what the world was going to be like and then plan for that There was only one report ever done under that OPR reporting requirement and it was done on urban sprawl in about 1977

For the benefit of a complete record legislation has recently passed that has revitalized that statutory requirement and the Office of

Planning and Research is supposed to submit the next report of that kind to the governor on January 1 of 2004. So we'll see if that report takes hold.

But the point that I'm trying to make is that the Energy Commission had a requirement to look twenty years into the future and there weren't many state agencies that were required to look twenty years into the future and plan for that. And it was a rolling plan. Every two years you took another look. So that future vision, if you will, certainly drove a lot of commission policies and they were forecasting again how much supply would be necessary and where they wanted that supply from. From the electricity side, they could make it happen because again they were responsible for power plant siting in the state.

CASTANEDA: You become advisor to Chairman Imbrecht.

BLEVINS: I guess I didn't quite finish that story.

CASTANEDA: I'm going to have to—

[End Tape 2 Side A]

[Begin Tape 2 Side B]

CASTANEDA: So we are continuing on with how you became advisor to Charles Imbrecht.

BLEVINS: Yes. We spent a lot of time talking about contingency planning. What happened was Charles Imbrecht arrived as chairman of the

commission. He had been obviously chairing a variety of legislative committees in the legislature during his terms there. As we all know, you can do business quite quickly in the legislature as a committee chair, and you learn to move things along pretty quick when you have to.

Historically, the commission meetings under both Richard Maullin and Chairman Schweickart gained some reputation for being quite long, and that was because everyone certainly had their viewpoint and was interested in expressing it, and healthy dialogue was encouraged on the days. So these meetings would take the better part of a day and sometimes go beyond five o'clock.

When Chuck Imbrecht arrived on the commission, he was interested in carrying out the business of the commission and doing it as efficiently as possible. So a lot of times the commission meetings were over by noon, which was in stark contrast to the way the meetings had gone in the prior years.

As it turned out, the adoption of the Energy Shortage Contingency Plan was scheduled, I believe, about four or five months after Chairman Imbrecht arrived at the commission. All I remember is that when I presented the item, as you might imagine, there were a large number of constituencies that wanted to comment on the final product before it was adopted by the commission, and there were specific

commissioners that had their own points of view and those were going to get expressed and debated as well

I recall that item on the first meeting ran somewhere on the order of eight to nine hours and that was just me defending the development and the makeup of the plan. The item was not adopted and then was put over to the following meeting and I have a memory of that maybe of lasting two to three hours

This all relates to me eventually being hired by Chuck because as I mentioned earlier you're sort of sitting there wondering where all of this is headed. What I wasn't aware of at the time I was basically filing away every detail every reason every basis for everything that was in that plan over the years. And when the item was heard at the commission level for adoption as it turned out I had an answer for every question that came up [Interruption] And as it turned out I had an answer for all those questions and I think at that moment the chairman first of all got his first experience with a truly lengthy issue on the commission and I think he was impressed at how I handled myself through all that. So it created a memory for him associated with a specific individual

I can't exactly remember when but the way the commissioners operated they had one civil service advisor who was their key advisor that came with their office and then as the way these things operate

they would all be allowed to borrow another person from the staff to work with them. So they were known as the first advisor and the second advisor. Somewhere after that time, I was asked to go to work for the chairman as his second advisor, which I did for about a year. Then his first advisor left, and I was asked to become the first advisor.

CASTANEDA: Now, does he ask you or does someone else ask you?

BLEVINS: No, he would be the one. These are their specific offices. There's the Energy Commission as a whole that's run by an executive director, and then there're the five full-time directors, and they have their little office complement, which is made up of an executive assistant—in the case of the chairman, the chairman also had an administrative assistant, just because of the way the statute is written, the business of the commission is articulated through the chairman to the executive director with him, basically, or she, basically, articulating the policy of the commission based on votes, meetings, whatever the case might be.

So obviously the chairman had a more direct role in the day-to-day operations of the agency as a whole, because he had that direct relation. In this case, he had a direct relationship with the executive director. Then you'd have a first advisor and a second advisor. Probably the comparable thing as a first advisor would be a chief of staff. In essence, that person functioned as the chief of staff for the commissioner.

CASTANEDA What was your impression of Charles Imbrecht when you first met him?

BLEVINS I was impressed with the fact that he had done so much at such an early age. I have to admit that after I'd been at the commission for a period of time and you sort of figure out what it is you might like to do, I can remember fantasizing about the fact that, again, maybe it's the social scientist in me, but it seemed to me like the best job here would be sitting there and sort of dealing on a day to day basis with these issues with a commissioner. That may be carryovers from the whole Watergate episode where America as a whole became real informed in the role that advisors played in detail in a given office or a given administration.

 But I thought he was very bright. I think I was twenty nine or around thirty, I guess, when all this was happening, so my grand ride was continuing. As usual, it became sort of a humorous comment around the commission when anyone who asked what I was going to do in the future, they would always say, I'm only going to be here a year so. As usual, I only committed to one year as the chairman's advisor until I decided what I really wanted to do. I ended up doing that for nine years, so it was—

CASTANEDA It was a long year.

BLEVINS [Laughs] I must have liked it.

But he had a presence. He clearly was an individual who had political genius. Personally, the most grating thing for me is having grown up in the South. I was raised that one of the greatest insults to anyone was to arrive late and/or to start late. Chuck Imbrecht was a product of the legislature where lateness was a show of power. And so my own personal cross that I bore through that nine years was having to deal with the fact that the schedule would get off and people would be sitting outside his office for an hour or two hours waiting to get in.

Now, as much as I disliked that, the final irony is it probably did more for my own reputation because what that meant was that I would end up holding the real meeting outside the office before anyone got in to see the chairman, and invariably a lot of issues or explanations had been provided so that by the time that the meeting finally started with the chairman, they were pretty crisp meetings and people knew exactly what they needed to do.

Now, whether he was doing that on purpose or not, I have no idea, but the reality was that a lot of people got to know me a lot better, and it obviously enhanced my professional future in state government as someone that people could work with. So I complain about it, but at the same time I know that it had a lot to do with my success.

Of course, the other interesting dynamic, as you might imagine, coming from legislature, Chuck's measure of success was a

commission that voted 5 0 because that was a signal that everyone was on the same page. Because commissioners are appointed for term limits he of course became the only Republican as the chair on the commission with four Governor Brown appointees. So it became an interesting dynamic for him to always try to achieve that 5 0 vote. But give him credit. I think 95 percent of the time those votes were either 5 0 or 4 1 at the worst. So he was a consensus builder as well.

Those are obviously early impressions. As time passed maybe a little later I can share as we sort of go into that second piece of the commission that second eight years how his dynamics evolved at the commission. I think in some respects the thing that both helped and hurt the commission a lot it stems from the fact that an organization can become too comfortable with someone being there a long time. As we know—I can't remember—Chuck essentially was appointed ultimately for three terms. I think he got into maybe the third year of the third term so he was the chairman of the commission for thirteen years in an organization that was only twenty years old.

So obviously one of the things that happens to an organization you figure out real quick what the boss likes and doesn't like and the organization itself really begins to embody—you know it becomes an extension of that chairman. Chuck ran the commission in such a way that the other commissioners were there and they had their views

expressed and they influenced his thinking and all that. But ultimately it was the dynamic of the chair's office that really set the tone of the staff, etc.

He was a very dynamic person. He could be forceful in terms of his opinions, and I don't mean that in a rude way. Once he had a notion about something, he would certainly stick with it. That was coming from the gut, which is what you would expect someone to be reacting to. He had a good sense for what good public policy was. I think there are a lot of people that try to affect public policy, but he had a broader view, and ultimately, although he was in the energy area, I think he was the consummate consumer. I think everything that he took an interest in was to ensure the consumers had the best choice both in terms of the quality, the quantity, and the ultimate cost of something.

It sounds so vague, but there are so many things that relate to energy policy that ultimately boil down to consumers being able to choose something that reduces their long-term costs. In that regard, I think he really excelled.

I probably want to put a break there, because there's a second phase of the commission in terms of what it starts to mean nationally, and that enters into Chuck's demeanor and his way of doing business, actually the symbiotic relationship of the Energy Commission.

becoming a national leader and Chuck's style. It was a person at the right place at the right time with his qualities.

I'm just trying to reflect on if there was anything else that was happening. I think at that moment in time the Energy Commission, the success of new alternative technologies in energy were starting to get into the outside world. And probably in that early eighties timeframe the Energy Commission started to have more and more foreign visitors to the point where it literally became a stream of people constantly coming to find out what the commission did, how it did it. It had found its way on the map, so to speak, in the energy area.

One of the ironies we used to always joke about was the further you got away from Sacramento on energy issues—and this is probably true for all other issues, but at least at that moment on energy issues and people would travel a lot—you would get treated better and better because they would find out you were from California. Then if they found out that you worked at the California Energy Commission, then your stature began to grow larger and larger as they discovered where you were and what you were part of.

I think probably this comes much later in time, but when I was the executive director of the commission, I was part of a German Marshall fellowship group that went to Europe for about two and a half weeks to, in essence, discuss global climate change. Even though I was the

executive director of the California Energy Commission there were cabinet level people from other states of the United States that were traveling There was a very senior member from another state who was sort of leading the delegation and it was continually somewhat of an embarrassment for me as we would get into these meetings and you'd go through the perfunctories of a meeting and eventually people start talking about things and the people we were visiting would find out there was someone there from California and that sort of guided things a particular way Then if it were energy related then it would really take off and which the rest of the delegation in essence wouldn't get very many questions and I would be getting all the questions

It had nothing particularly to do with me it just had to do with the fact that I represented a place and a time where in their minds the world had changed Ironically Europe probably picked up more of the lead ultimately of what was happening in California in the energy area through the late seventies and eighties than the country or the state as a whole did ultimately

There's another story actually on that same trip because Dave Freeman had already come and served as general manager of SMUD

CASTANEDA So we're talking about—

BLEVINS

The actual year is 1995 I think it s November of 95 that I m speaking about right now Dave Freeman was already from SMUD and because he and I have the same state of origin and had known a little bit about each other my grandparents shopped at his parents store in Chattanooga so there s a tie there not that he and I were personally familiar with although I had many members of my family work for Tennessee Valley Authority and of course he was chairman of the board of TVA for a few years

But anyway I had gotten to know him well when he was in Sacramento as SMUD s general manager and was on this same trip I remember going to a place called Schonau Germany and again it was the same kind of thing Come to find out the first question I got being from Sacramento was did I know Dave Freeman

I said Sure I know Dave Freeman And that s all they wanted to talk about And as it turned out somewhere this tiny community had read a speech that Dave Freeman had given somewhere in the past about energy efficiency alternative energy supply etc and the entire community had dedicated itself to fulfilling in essence what Freeman had been imploring in his speech If they could have erected a statue to him in the town square they would have done it

But it s just an illustration of how the rest of the world was viewing what was happening in California and what happened in

California in ways that Californians just sort of take for granted. So in a funny way we made a little history not knowing we were making it and we certainly influenced a lot of people in other parts of the world certainly along the Pacific Rim and in Europe. The Pacific Rim countries were constantly in our offices trying to learn everything that they could about our programs and how we had gotten these alternative energy technologies started etc.

And it wasn't just the Energy Commission. There were other broader state policies that were in place like tax credits and things of that nature. But it was quite a global place and that began in the probably late seventies and then on through the eighties. There was a lot of diverse interests showing up and wanting to know how we did things.

CASTANEDA: Is this a good time? It's about fifteen till

BLEVINS: Yeah. I'm trying to think if there's any—I just want to make sure before we leave this segment of the commission if there's any other dynamics.

I think the one other thing that I'd mention about the commission sort of as a governance experiment is that when the Energy Commission was created there was huge distrust of the investor-owned utilities in terms of them entering into the process and

somehow influencing the outcome of forecasts and siting decisions
etc

Two things happened at the Energy Commission to that point had not happened before anywhere else from a governance standpoint
Number one when the commission was created it was created with a public advisor and that public advisor was appointed by the governor and was an attorney That public advisor s sole purpose was to assist anyone in the process in any of the commission s public hearings or whatever so that even though I may not be a sophisticated lobbyist I had an agent there at the commission where I could work through and have my opinions expressed and that person would actually also to some degree help to express those opinions for me So that had not happened to my knowledge That was 1975 That had not happened anywhere else in state government and now we have public advisors in a lot of agencies

The other thing that was unique is typically in the commissioner s offices—and we touched on this a little bit in terms of the first advisor—typically the commissioner s offices at the PUC or elsewhere were gubernatorial appointees in essence exempt positions that could be appointed from anywhere

When they created the Energy Commission they made those first advisors civil servants which means that a commissioner came in he

or she could not bring their cronies into their office. At least in that level, that individual at that time was a civil servant and had to test in the civil service system and had to have certain amounts of state government experience. It put the safeguards in place in creating the commission that assured that it was going to be as much of a public transparent process as they possibly could, because they didn't want the influence of special interest getting behind the scenes and having an unacceptable impact. Obviously, the Brown Act. There are other things that play into this in terms of Open Meetings Act and those kinds of things.

But clearly the people who put this organization together had had a lot of experience in terms of how these things typically played out, and the commission was one of the first places that some of these safeguards were laid in. I think that's also another important historical—in looking back on it, people are looking for things that were unique about the California Energy Commission. It was constructed in a unique way that was designed to ensure the best public decision making possible, which in 1975 was pretty forward thinking.

Actually, I think the Energy Commission's bill was a two-year bill. I think the bill parts of it were actually introduced in 1973. The combination of the Arab oil embargo, the politicians found a need to

do something. I wasn't here for that, but my impression is that it's one of those situations where serendipity sort of played in, and a lot of different notions became part of a single omnibus bill that led to the commission's creation.

Probably one of the better stories—and I'm not going to remember the year on this. I know that Chuck was still chairman, so this had to be sometime in the 1985-86 timeframe. Howard Allen, who was the president of Southern California Edison Company and had been the president of that company for a while, had come to the commission to visit Chuck. The commission's building was built with a large atrium of balconies, and we were on the third floor. It's all concrete, and the acoustics in the place are such that if you're talking in one corner, if you're in the right place, you can hear everything the person is saying.

Well, it turned out that Howard Allen and his friends got off on the second floor instead of the third floor, and we were standing on the third floor balcony. They were on the second floor balcony, and we could hear what they were saying. Howard Allen walked out and he looked across the atrium and he sees this three-story concrete building that's got six hundred people in it. He just sat there and he made the comment, he goes, "I think they're here to stay."

Of course he had been part of the effort to eliminate the commission in the preceding years So in my mind that was a turning point

CASTANEDA You have to work with them

BLEVINS That s right They are not going away [Laughs]

That probably gives a pretty good flavor for those first seven or eight years that I was exposed to the Energy Commission

CASTANEDA Maybe when we start up again we can go into Imbrecht s career a little bit more and you become executive director and take it from there

BLEVINS We ll do that

CASTANEDA Okay Great Thank you very much

[End Tape 2 Side B]

[Session 2 January 16 2004]

[Begin Tape 3 Side A]

CASTANEDA This is an oral history interview with Mr B B Blevins and the date is January 16th 2004 We re conducting the interview at the conference room on the campus of CSU Sacramento [California State University Sacramento] and the interviewer is Chris Castaneda

It s been a little while since we ve had our last get together and you ve had a chance to look over the transcript Are there other topics we didn t get to up to about this time period that you d like to include on the tape?

BLEVINS Sure There are two and I ll try to do them briefly

There was one incident of energy history in the state that occurred in the first seven years of the California Energy Commission and that

related to a set of nuclear laws that were passed by initiative in the State of California. The essence of those laws was that no nuclear power plant in this state could be constructed unless there was a demonstrated method for storing high level nuclear waste. The Energy Commission was very much involved in the determination of that demonstrated capability. It ultimately decided there was no demonstrated method for storing high level nuclear waste and again we're here some twenty five years later and many people still hold that opinion.

But what that in essence did aside from the general economics of nuclear power and those becoming more expensive because of environmental reviews it was in essence the final nail in the coffin for the use of nuclear power in the State of California. Conventional nuclear power as we know it in the State of California.

The commission's finding I believe was taken to the point of U S Supreme Court and it was argued with the State of California prevailing. So it was a critical piece of law and defense of law that in fact made it apparent that California was going to have to find another way to get its electricity. You have to remember that in 1975 to 1980 the nuclear industry was still very much active and power plants were still being proposed in other parts of the country and certainly other

parts of the world. So once again we have California breaking off if you will and going down its own path.

CASTANEDA: What was the date of that law?

BLEVINS: My recollection is that the California nuclear laws occurred sometime in the I want to say '74-'75-'76 time frame. It was concurrent with the Arab embargo and the creation of the commission itself in 1975 when the commission began operating.

CASTANEDA: So those laws are actually discouraging and even preventing nuclear plants at the same time as we have this other energy shortage.

BLEVINS: That's correct. The other energy shortage was obviously being spurred by geopolitical events and in effect in primarily the transportation sector of the economy. But at the same time California was at a crossroads in terms of where future electricity was going to come from.

I may have mentioned in our prior session but conventional practice was to have the utility companies to do the forecasting of electricity need. They used general econometric forecasting techniques and they would easily come up with growth rates for the economy at 6 and 7 percent which it doesn't sound that much but a 6 to 7 percent annual growth rate is a lot when you're trying to provide electricity to the economy. They had determined that nuclear power and coal power were the best way to meet those needs and there were

any number of nuclear and coal power plants proposed for California in early 1970s

The nuclear laws clearly took one of those options off the book in combination with the Energy Commission now doing independent forecasting where they were coming up with growth rates of 2 and 3 percent and getting there with energy efficient new building construction and energy efficient new appliance standards

CASTANEDA So the commission is promoting conservation through these energy efficiencies?

BLEVINS Yes that s correct It is part of their statutory mandate The California Energy Commission was the first public entity of any kind in the United States I think to impose energy efficient building standards and they were certainly the first entity to start telling appliance manufacturers that they couldn t sell their appliances unless they were going to meet a minimum efficiency level Those standards over the past twenty five thirty years have in fact been you know increased over time to where California probably has one of the most energy efficient economies in the world if not the most energy efficient economy in the world

California gets a lot of bad press I think because of the consumptive nature of the lifestyle here but the reality is that we produce a great deal for the rest of the world and if you sit down and

do the math you find out that we have a lot less energy going into our output than most other economies do in the world

CASTANEDA So it was the Energy Commission that had noted that nuclear and coal seemed to be the way to go?

BLEVINS No it was the investor owned utilities The Energy Commission was the new kid on the block in 1975 and again the critical component there was the fact that the Energy Commission as part of its statutory responsibility was told to do an independent forecast of electricity demand and then the utilities had to come in and debate that forecast The Energy Commission as I had mentioned earlier went forward with a new type of forecasting called induced forecasting which proved to be more accurate than the econometric forecasting that the investor owned utilities tended to use

It was in the IOU s investor owned utilities interest to pursue that kind of forecasting because it was a natural monopoly under the Public Utilities Commission structure They were guaranteed a return on any investment they made and so if that guaranteed return on investment was 12 percent if they pursued a capital project that was a million dollars or they pursued a capital project that was 100 million dollars for the same output clearly 12 percent of 100 million dollars is a lot more than 12 percent of 1 million dollars So there was an imbedded economic interest in moving toward nuclear and coal

because they were by far the most expensive energy generation projects the IOUs could pursue

CASTANEDA At that time I guess Rancho Seco I m not sure if it s operating yet or it s under construction

BLEVINS Yes Ranch Seco was under construction Rancho Seco was grandfathered Rancho Seco Diablo Canyon were projects that were grandfathered into the California energy picture The classic case again and this is the nuclear laws plus the proposal with Sun Desert Nuclear Power Plant in San Diego California by San Diego Gas and Electric Company that project was submitted to the Energy Commission for consideration and it did not survive the regulatory review and so that really was the last truly commercial nuclear power plant proposed in California the Sun Desert

CASTANEDA Is there a debate within the Energy Commission about nuclear power at this time or how is the Energy Commission dealing with that?

BLEVINS I think I m going to answer the question to expose you to two dynamics that were occurring First of all the Energy Commission a lot of unique things were embedded in the Energy Commission when it was formed in its statutory makeup One of those unique things was it was one of the first statewide commissions to actually require that each commissioner have an area of expertise So I ll try to do this The five areas of expertise on the Energy Commission are a member

from the public at large an attorney member an environmentalist member a scientist/engineer member and an economic member an economist

The nature of the first appointments to that commission the scientist and engineer was a gentleman named Commissioner Pasternak Alan [D] Pasternak and he tended to believe that there were virtues in nuclear power So you had this dynamic at the commission level where as the statute required they would have a balanced view And as you might imagine the environmentalist member of the commission might have taken a different view than Commissioner Pasternak took

But it is a fact that this commission all its commissioners were appointed by Governor [Edmund G] Jerry Brown initial commissioners and those commissioners select an executive director and that executive director starts building a staff The degree to which people that were selected to work on the staff either favored nuclear power or didn't favor nuclear power I think it was a lot easier given the general nature of California at that time and Jerry Brown's view of alternative energy etc which isn't a bad thing It's just it created an environment in which people who shared similar philosophies found themselves working at the Energy Commission So I would say on

balance on the staff there was probably a bias against nuclear power from the staff that was doing the analysis itself

CASTANEDA So even without the statute you've got the biases?

BLEVINS Yes right There were a lot of things happening simultaneously that represented an early warning sign to nuclear power that happened in California Clearly a governor with a different view of the world the conventional world at that time relative to the importance of generating power versus saving it and finding new unconventional ways of generating power people flocking to that the nuclear waste laws the fact that it was now Diablo Canyon I think took in round numbers twenty years to actually license and operate because it was proposed in the early sixties

So you know all of these things began to come home to roost in California simultaneously and then the fact that the Energy Commission pursued energy efficiency standards which represented a huge new source It's tough to think of conservation as a source of energy but it's actually a tremendous source of energy in terms of improving the efficiency of an economy And no one had done anything to that point in time so there's a lot of waste going on in the system at that moment in time

So the Energy Commission I think to its credit and the people who were running it went down a path that was less costly to the state's

economy and they found all their nuclear power plants and coal power plants instead of building those and doing what those things do both environmentally and costwise they rechanneled all of that need and found it in the energy waste that was occurring within the economy itself

CASTANEDA It seems like an obvious conclusion but was there a debate on how productive conservation would be in terms of saving energy?

BLEVINS Yes typically the debate And the debate doesn't really change over time because the standards are continually reviewed Typically the debate is that it's going to cost the consumer too much so if I'm going to do an energy efficiency improvement on a new residential home particularly that early on it was how much a new house is going to cost So there was the builders not wanting to necessarily incorporate these changes and they would get behind the increased cost as the argument for not applying these changes

Clearly the investor owned utilities make money by selling power so you're already a little bit on their bad side when you're suggesting that possibly we don't need to sell as much power as we've been selling in the past certainly on a per capita basis

The argument the utilities used was the linkage between economic growth and energy consumption To that point in time it's a classic chart where the utility economists and planners would show you the

relationship that existed between economic growth and the amount of electricity consumed

What the Energy Commission did—and I believe it's the first place in the world that it occurred—what the Energy Commission did was they broke that. They demonstrated you could break that pattern that you could in fact actually consume less energy and still have economic growth and it took a while and there is a relationship. We can't deny that there's not a relationship between economic growth and the amount of energy a society is consuming but it wasn't necessarily one on one, a one to one relationship.

So the Energy Commission if you look at California's economy you can see that our gross state product has managed to go up and we're using less energy over time to accomplish that.

CASTANEDA: Going back to nuclear for a second, what was Charles [R.] Imbrecht's view of nuclear?

BLEVINS: He was chairman and he was appointed to the commission as part of the [George] Deukmejian administration so he arrived in 1983.

Interestingly enough, I have a different take on Chairman Imbrecht and it's not so much an energy take. I actually believe that the essence of Chairman Imbrecht was he was a champion of consumers and that he found himself in the energy area with that sort of mindset and applying that mindset. The other thing that Chuck

dearly loved was technology and it would not matter if it was the technology of a handheld calculator or the technology of a power plant he was totally intrigued by how things worked

His father was a plumbing contractor and so Chuck was exposed to how things were put together There was the engineering side that would come through and he would be fascinated by how things were engineered but he always saw those things in light of what a better world that would make for consumers

I think my memory anyway is that as an attorney Chuck probably knew that it would never be demonstrated that there would be a high level legally there'd be a legal demonstration of the ability to store high level nuclear waste because it is a subjective determination I can line up as many physicists on one side of this room to tell you that it has been demonstrated and the same number on the other side that tells you it has not been demonstrated and again as an attorney's mind that's a wash I'm sure he would enjoy representing either side to see if he could win the debate but it was sort of a nonstarter at that point when he was the chairman

Also by that time the costs were becoming prohibitive in terms of the other options It was clearly much cheaper to insulate a water heater than it was to build a nuclear power plant an electric water heater And also by the time Chuck arrived at the commission the

debate relative to Diablo Canyon had started to move back into the Public Utilities Commission where they had to make the determination as to whether or not the monies expended to construct Diablo Canyon in this case were in fact in the ratepayers best interest

There was quite a lot of debate in that area as you might imagine in which those that were the ratepayer advocates inside the California Public Utilities Commission felt that nearly all the costs were unnecessary which was another way of potentially stopping the project altogether so that it would never operate But Pacific Gas and Electric Company and the PUC [Public Utilities Commission] eventually came to some accommodations so that it could operate Actually if you look at it objectively it s probably the finest operating nuclear power plant one of them in the United States Duke Power has a reputation as an excellent operator of nuclear plants

But PG&E has done very well with Diablo Canyon even to a point where a representative of that company said that they were considering proposing a reduction in the revenues they were receiving from that plant because they were making so much money on it So if you look at it in economic terms that particular nuclear power plant may actually have turned out to be an excellent economic investment All of the waste that it s used has generated is probably still sitting at that plant in ever expanding fuel storage pools so the waste problem has

not been resolved But there s the environmental view of the world and there s the business view of the world and that invariably creates the debate

CASTANEDA But in nuclear how is the commission looking at Rancho Seco? What s going on there?

BLEVINS Well again it was grandfathered so from a signing standpoint the decision was made that that facility was being proposed by a municipal utility and that the economic investments and the commitments had been made and probably in the crassest terms politically it was not political to turn that process around

I think one of the fascinating things about the ultimate outcome related to Rancho Seco is I believe there s a strong place for public power in the greater scheme of things But interestingly enough at least in the Rancho Seco case we have Sacramento Municipal Utility District essentially run by a board of elected officials Those officials are politically motivated sometimes to try to keep costs down and keeping costs down in running a nuclear power plant to the degree it s expected to be run can sometimes be two competing interests

So I think as the Rancho Seco story played out I think ultimately the board found itself or the boards over time found themselves trying to run They d purchased a Jaguar and they were trying to run it like a VW [Volkswagen] because they were trying to keep the

costs down And of course the more you did that the more problems you would tend to have

I was always fascinated by the wording of the initiative that eventually shut Rancho Seco down in Sacramento I m doing this from memory I hope I ve got this right But I have the memory that the wording of the initiative was not a vote against Rancho Seco it was worded that should the Sacramento Municipal Utility District continue to operate Rancho Seco So it was actually an initiative on the utility and not on nuclear power But obviously when the initiative passed those that opposed nuclear power saw it as a clear signal that the people of Sacramento chose not to have nuclear power anymore in their electricity mix

CASTANEDA Does the Energy Commission take a position when an initiative comes out?

BLEVINS No

CASTANEDA How does the Energy Commission react to the whole process?

BLEVINS Typically most state government agencies that have been my experience particularly in California where you have the initiative process you really have the obligation to get as much good information out there You can as long as you present a balanced view there can be some advocacy associated with getting that

information out but obviously you can't cross the line where you're actually funding and working toward the passing of an initiative

The Energy Commission during that debate I might recall a little bit of debate going on amongst the staff but the Energy Commission never I don't believe took a position on Rancho Seco. The closest place when the Energy Commission would have the opportunity to take such a position would be the municipal utilities just like the investor owned utilities would have to file their demand forecast and their supply plans for the Energy Commission to evaluate and this would happen every two years. The results came out in the context of what was called the electricity report at that time.

In that environment the utilities would lay out where they would expect their supplies to come from in the upcoming two years and what they expected demand to be and then you debated the supply demand balance by that utility service territory. That would be the one place where some type of debate would occur. The real Rancho Seco debate in that context occurred on the degree to which how confident people were that Rancho Seco was going to operate at the capacity factor that it needed to.

So if the Sacramento Municipal Utility District came in assuming that Rancho Seco was going to operate 70 percent of the time in that coming two year period and the Energy Commission had a feeling

that you know historically you now were about 45 percent what made you think it's going to be 70 percent there the debate would ensue and figure out where the missing power could be expected to come from and that ultimately the staff of the commission and the staff of the Municipal Utility District in this case would agree on what they thought that capacity factor would be

I think one of the great stories that ties the Rancho Seco debate into the Diablo Canyon debate is that Rancho Seco at the time Diablo Canyon was coming forward and the PUC was going to have to make a decision about what the deal was going to look like to allow Diablo Canyon into the system Rancho Seco had this horrible performance And so at that point the attorney general who was John Van de Kamp the Public Utilities Commission and I'm missing a third party in the deal—it slips my mind who the third party was—but in essence they negotiated a deal with PG&E in the final analysis that if the power plant operated at particular capacity you know the investor owned utilities investors would benefit if it was beyond a certain level and of course the ratepayers would not disbenefit if it was below a certain level So the investors of the investor owned utilities would suffer the economic impacts of the facility not operating at a particularly agreed to capacity factor

Well ironically as you might imagine those that represented PG&E were pointing to the dismal nature of Rancho Seco and saying We think the capacity factor is going to be about right here And as it turns out the parties on behalf of the state that were negotiating this sort of agreed to a lower number If I think about it I m not quite sure how proactively PG&E may have lobbied for this It may have been that the state s negotiating side began with the presumption that it was going to be an inefficient power or operate inefficiently in terms of hours online by virtue of what was going on with Rancho Seco And as it comes to me I m thinking that PG&E really didn t do anything to dissuade them from that notion without And I think what PG&E have known was this was one of the finest constructed nuclear power plants in the United States

So as a result—and these are not numbers that I know I m just going to make it up—as a result you had a situation where maybe PG&E allowed them to assign a capacity factor of 72 percent while in reality Diablo Canyon ended up operating at 90 percent So it goes back to the story a minute ago about how PG&E itself was starting to feel guilty about the revenues it was accruing off that power plant because of the deal that had been put together And so to some degree Rancho Seco s demise went a long way toward feathering the bed of PG&E

CASTANEDA So when the Rancho Seco initiative is passed it's going to close down the other electricity is going to come from PG&E is that right? Or is it going to come from

BLEVINS Well no Sacramento Municipal Utility District is basically left to its own devices to construct new facilities and they started moving in a cogeneration path Within Sacramento you have quite a few cogeneration plants that were proposed and constructed in the general area of Sacramento They moved toward some alternative energy They moved toward Or SMUD it moved toward more higher efficiency in their system you know appealing to their ratepayers for a greater efficiency in the use of electricity and they responded accordingly to the point where in the electricity crisis of 2001 those of us that lived in the Sacramento Municipal Utility District service territory essentially suffered no ill effects of that crisis

CASTANEDA So in terms of the consumer shutting down Rancho Seco doesn't create many electricity supply problems

BLEVINS Oh it did It did create It did I'm certain that as the initiative was moving the Sacramento Municipal Utility District was already thinking about how they were going to have to make up any loss of that power to their system Oddly enough the facility had not been up that much anyway so they were already having to cover their bases you know to some degree before the initiative ever passed

So it wasn't that great a hiccup. I think what it did was it probably changed. What it changed more than anything else was the long term view of how the district was going to continue to provide power for a growing community because they had built into their supply plants was the fact that that facility was going to operate a certain period of time and then be decommissioned. So their medium to long term supply plans clearly had to be adjusted as a result of that but in the near term they were either buying power from other sources cheaper sources that they might be able to find or they were beginning to build their own generation resources cut their own deals build power plants

CASTANEDA How is the Energy Commission thinking about natural gas at this point?

BLEVINS We're in nineteen. Well

CASTANEDA We're in the eighties

BLEVINS Yes we're in the eighties. We sort of came through a period of time where the nation as a whole thought there was going to be a horrible natural gas shortage and laws were passed to prevent the actual use of natural gas in the generation of electricity. I remember the acronym was PIFUA and I'm not quite sure I can tell you what those letters stand for P I F U A. But in essence it was a federal law that was passed in expectation of diminishing natural gas supplies

As these things go within a relatively short period of time by the mid eighties I think natural gas turned out to be more plentiful than people thought and that eventually led to two courses of actions on the energy front at least in California The PURPA [Public Utility Regulatory Policy Act] 1978 law that basically said independent power producers can produce power and if it's at the utility's avoided cost the investor owned utilities have to take the power

Cogeneration was a technology that was beginning to take off in the largest sense largest consumers of power because they in fact found a way in which they could not only tap the waste heat of their operations and probably one of the best examples is refineries or thermal enhanced oil recovery where you have a lot of waste heat They could not only tap that heat and use it for their own purposes they could build a few more turbine generators in the string and actually sell that power into the grid and make money at the same time

So clearly in the 1980s time frame you had particularly among large manufacturers or anyone that used a lot of steam either had a lot of steam as waste or used a lot of steam for processing cogeneration became the option *du jour* The utilities in the regulatory and political front did what they could to try to resist as much of this power coming online and those as you got into the late 1980s clearly Southern

California Edison Company was extremely concerned about what independent power was doing in their mind to basically put more power into the system than they thought was economically necessary and thereby costing the ratepayers more than it should. As I recall there was a fairly heavy political and public push to somehow push independent power back into a smaller box if it could and that effort was headed by Edison at the time.

The other thing that happened and really it is something I was intimately involved in was the proposal to bring independent natural gas pipelines to the State of California.

CASTANEDA: Before, could you describe the situation that led up to that? Why was there a problem with bringing in interstate gas into California in the first place?

BLEVINS: Well, in essence, there were three parties that controlled the flow and price of the gas to California. You had Pacific Gas and Electric Company and you had Southern California Gas Company and then they had suppliers. In some cases, like Pacific Gas and Electric Company, they actually had a company that operated the pipeline supplying gas to northern California from Canada. And then the third party is the Public Utilities Commission, who was, I mean, as most people might expect, they're there to protect the ratepayer, but the part

that doesn't get there is they're also there to protect the financial solvency of the utilities themselves

By the 1980s as I recall there was a discrepancy in the price of gas in California versus other parts of the United States and this is the 1985 to 1990 time frame. As a result you had some very high again industrial gas consumers in the state particularly in the Bakersfield area where again thermal enhanced oil recovery operations were occurring and where they would use natural gas to create the steam and they made it known that Well they found themselves at the mercy of the pricing and supply of the investor owned utilities

The presumption had been and the PUC had managed to maintain sort of complete control over regulating the flow of natural gas into California and it was a symbiotic relationship that existed between the utilities and the PUC in terms of managing what was going on. Obviously the IOUs didn't have any interest in a third independent pipeline coming into the state because again that although it's not an accurate use of the term but it stole market share from them. They're a natural monopoly so they shouldn't be concerned about markets. And then the PUC had complete control over the regulation of those pipelines and they didn't want anything to happen in that regard.

What happened was an independent developer went to the Federal Energy Regulatory Commission [FERC] and with market in hand

being some of these thermal enhanced oil recovery the oil companies that wanted to in fact not rely on gas from the conventional California environment and support the construction of the independent Well there are any number of them that ended up being proposed when this genie was out of the bottle But the first one that I recall is the Kern River Pipeline Company and it was bringing gas from Wyoming an independent gas line from Wyoming into the Bakersfield area

If I can reflect back on Chuck a minute and the other commissioner who had great involvement in this was Commissioner Richard [A] Bilas who in fact had lived and was a personality in the Bakersfield area who is now a commissioner on the Energy Commission at this time and an economist a very good economist Given Commissioner Bilas bias toward the simple economic theory that if you're someone who demands something the more suppliers that you have you're better off

And then Chuck who was a believer in consumers having choice again in that consumer advocacy role the combination of those two people personalities and in my mind common sense in terms of what was in the best interest of the State of California the Energy Commission pursued and got behind the notion of an independent gas pipeline being built to the state This put the Energy Commission and

the PUC at odds in terms of position because the gas utilities were clearly lobbying the PUC to prevent any of the interstate pipelines from coming into the state

The issue before FERC California was represented by two agencies with two different views of the world In probably let me just say

CASTANEDA So both agencies actually go to FERC?

BLEVINS That s correct and file their positions

That moment in California energy s history is one that still lives with us today even as recently as Governor [Arnold] Schwarzenegger s State of the State Address where he references the thirteen energy agencies in the state That debate on the interstate pipeline issue in the State of California in the late 1980s was the first indication that California s energy regulatory structure was not lined up as best it could be in terms of dealing with these issues and so the debate between the PUC and CEC on this specific issue was a natural outcome of two agencies having two completely different charges and there not really being somewhere where those two positions are balanced

As a result that probably for a period of at least ten years the working relationship between the CEC and the PUC was tense almost on any number of issues and that s also in that period when electric

deregulation begins to sort of raise its head in 1993 '94 And then it obviously spills into the legislature in the late 1990s and then we end up with electric deregulation and then we end up with the crisis of deregulation that we had and got us to the point today

But if you think of the CEC and PUC boxes Governor Schwarzenegger's reference to the thirteen energy agencies and the boxes that it represents what it sort of set the pattern from that point forward in time is if something didn't really fit in terms of the ability of one of those agencies to deal with an issue you created a new box And in essence since 1988 we've gone from two boxes to thirteen boxes which the governor was very specific in pointing out

So ironically the pipeline debate was the first sort of contraction and expansion of California's energy regulatory system to try to cope with a lot of different competing interests The creation of the Energy Commission itself was again the creation of a new box for a changing world that the California Public Utilities Commission was not set up to handle PUC from a regulatory standpoint was only put there to ensure that ratepayers were only paying what they had to pay for and also that the utilities were financially solvent because that was the deal and the utilities that were financially solvent would be guaranteed reasonable return on their investment

But for utilities to say we need nuclear and coal power and these are reasonable costs to pay for nuclear and coal power those are very true statements and the PUC can easily decide yes those are reasonable costs to build nuclear and coal power plants And the issue of is there a cheaper way to get the power or do you even need the power in the first place never arises in the PUC's forum So in essence that led to the electricity regulatory component of the Energy Commission which was to forecast whether or not these facilities were needed or not needed and were there alternatives that were cheaper than what was being proposed So we've been growing boxes since 1975 on the energy issues

CASTANEDA I just need to change the tape

[End Tape 3 Side A]

[Begin Tape 3 Side B]

BLEVINS We were talking about the interstate pipeline

CASTANEDA Right Both agencies are at the point of arguing opposing positions

BLEVINS That's correct

CASTANEDA And this is Kern River Pipeline?

BLEVINS Kern River Pipeline Actually there was something called the PGT Interstate Pipeline that came from the north which the parent company Pacific Gas and Electric Company was involved in I mean once people realized that interstate pipelines were going to be

happening everyone jumped into the fray even the investor owned utilities at that point the natural gas investor owned utilities There were a number of them proposed I can remember proposals of pipelines from Texas There was another competing proposal for a pipeline from Wyoming But Kern River was in fact built

I think interestingly enough the Energy Commission had been forecasting that if we didn't get additional pipeline supplies into the state that we could be having natural gas shortages and they wrote a report to that effect But PUC discounted that report for a period of time and then in fact in southern California—and I'm not going to remember the timing I'm going to say 1989—but we did have natural gas shortages in southern California And then that in essence flipped the debate

And to some degree it was rather interesting because the PUC from its public side without missing a beat expressed surprise that these shortages had occurred Then there must be some problem and eventually spun it out in such a way that they were the ones that realized that we needed more natural gas supplies into the state even though they and the Energy Commission had been debating this issue for five years and they were taking the opposite view

But in the final analysis I guess the process worked and we got new natural gas supplies to the state and have enjoyed during most of

that period natural gas pricing that has been comparable to the rest of the United States

CASTANEDA So this is also the situation where interstate pipelines could come to the border of California but they weren't actually

BLEVINS Right Well by definition the proposal of the interstate pipeline was that it was going to come into California It is interstate I think one of the interesting debates that went on and again I'm not the attorney involved in this but what I do remember is the argument that you cannot have an interstate pipeline unless it passes through a state as opposed to into a state So California being on the West Coast it can get really tough trying to get a pipeline that comes into the state and goes on to another state particularly when we're the demands center

But FERC found that it had jurisdiction to in fact approve an interstate natural gas pipeline into the state which was counter to the PUC's position and that finding held over time and the pipeline was constructed

CASTANEDA Sort of about the same topic conservation and I guess more efficient energy Did this concept of green energy that we have today do you know where that really developed?

BLEVINS My experience with the concept of green energy Well now are you talking about the ability of consumers to purchase green energy as part of the

CASTANEDA I'm talking about sort of really even more labeling some energy green energy sort of the way of promoting to the public this idea of

BLEVINS Yeah yeah My experience is it goes back to Jerry Brown and actually it may be more attributable in California to a gentleman named Wilson Clark who was Jerry Brown's energy advisor who unfortunately was killed in an automobile crash outside of Washington D C I think in the 1977 '78 time frame But he wrote a book shortly after the oil embargo I think and it's called *Energy for Survival* and it was a tome I mean it was a very large book where he went into quite a bit of detail about the potential for alternative energy and its environmental benefits In being the governor's energy advisor he had the governor's ear clearly on those issues and the governor created something called the Office of Appropriate Technology There was a state building program to try to incorporate alternative energy efficient and solar designs into state building construction The Energy Commission to this day exists in one of those buildings

So the notion or defining alternative energy as green I think has been around a long time in California There's even debate though about what's green Typically it's evolved now into a use of the term *renewable* and with the recent passage of what's known as the renewable portfolio standard in California where there is a law on the

books now that says the investor owned utilities must work toward an amount of renewable generation in their overall energy electricity supply mix some people and the municipal utilities have successfully argued that hydroelectric is a renewable energy option Typically it is not thought of that way and certainly from an environmental standpoint building a dam is not On the fringe of the environmental movement building a dam is not going to be ever believed to be as a renewable because it has other larger consequences in terms of generating the power

But California because of the technology because of the wind historically you can go back to the late 1950s One of the largest geothermal installations in the world has existed in California with the geysers which is operated by PG&E and developed by PG&E from the 1950s so that is conceivably one of the first use of renewable power anywhere in the world There are other examples New Zealand places where steam is coming out of the ground Human beings figured out very early on that they could heat their homes and produce electricity off of that

CASTANEDA We have the wind farms

BLEVINS The wind farms

CASTANEDA What is the background?

BLEVINS

Well my memory is that it was part of the alternative energy push. People knew that the wind blew nice and regular in various places in California. Probably the two most notable are Altamont Pass and San Geronimo Pass in southern California where again you have these natural vent points between the Central Valley and the coast and you have high winds. There were tax credits that were put in place under the Brown administration to encourage the development of wind generation facilities.

Every one of these alternative energy sources has its own particular story. I mean we could literally sit here and talk about the different manners in which they have evolved over time and they are each somewhat unique. Wind you know the initial presumption out of the box was the bigger the better the larger the wind turbine you could build the more you could expect to glean from it and even in northern California here Pacific Gas and Electric Company for a few years had a very large wind turbine that sat down by the Carquines Straits there that you saw as you traveled on Interstate 80 toward San Francisco.

As time passed the engineering revealed that you actually get more productive wind out of a wind site by properly designing a lot of smaller turbines as opposed to a larger turbine. On its face now it makes common sense but again it's important to remember the

culture of engineering and particularly in the energy development area where a larger coal plant is obviously better than a smaller coal plant from an efficiency standpoint. A larger nuclear power plant is better than a smaller nuclear power plant. So the engineering scaling of things up to get more and actually to get more efficiency. I mean ultimately those are not incorrect statements. You get more power for the dollar you invest by making it bigger. But with wind they went down that path and it didn't play out that way. It was actually you wanted a lot of smaller scale deployment as opposed to two or three larger scale deployments.

What made it historically difficult for alternative energy in California was the fact that I referred to the 1978 PURPA law. A lot of those independent power contracts that were driven by cogeneration, wind, solar, geothermal, were signed for a specified period of time, ten years, twelve years, fifteen years, and by the late 1980s and the early 1990s we were getting to a point where those contracts were coming to an end and it was going to be time to figure the avoided costs of the utilities at that moment in time.

What had happened again in the late 1980s, more natural gas coming to California, more natural gas available, more cogeneration [the] utilities avoided costs had in fact gone down. Certainly none had gone up as high as people had expected and you had a lot of these

alternative energy projects that in some cases were the first tries at applying these technologies. Certainly the Luz [Corporation] solar plants in southern California biomass plants they'd become cost competitive at a location at that moment in time that's much higher than natural gas.

So it was known as the Q F Cliff. I mean the qualifying facility cliff was these facilities were coming to the end of their contracts and basically the utilities had more power than they needed by virtue of a lot of the cogeneration was being produced in the state and a lot of the efficiency that had been built into the system now from appliance standards building standards. It became uneconomical for a lot of those original alternative energy projects to in fact sell power to the investor owned utilities and that was a bit of a growing pain for the alternative energy industry in California so much to the point where at least some of the visionaries that had built the original wind farms in California and were located here corporately moved outside the state moved into the Upper Midwest and other areas.

So we still have wind power in California it's still making its contribution in those two passes and people are continuing to look for ways to improve the efficiency of the wind turbines. The unanticipated environmental impact of wind generation was the fact that we have a lot of predatory birds in the state that are on the

Endangered Species List and as you go in and disturb the soil in and around a wind farm this has typically been pastureland rolling hill pastureland around all these passes you create a remarkable environment for rodents These predatory birds can see the rodents but as the blades are spinning they do not see the spinning of the blades So California has had a chronic problem with its wind farms with endangered species being killed by virtue of the operation of wind turbines

There has been a lot of work that's been poured into trying to use noise use color whatever the choice might be to discourage this avian activity and it's been somewhat successful but not as successful obviously as those people who are concerned about endangered species would like it to be Sort of the legal nexus here is that the taking of an endangered species results in some pretty heavy penalties and fines and criminal repercussions and causes some serious thought by the folks who own and operate those companies or own and operate those wind machines because they're always dancing around a potential legal liability here for the taking of an endangered species

I'm not an attorney I haven't followed the issue I don't know where it is today but that has been sort of the single negative relative to wind power aside from the fact that the wind blows intermittently From an electric distribution standpoint when you're trying to

distribution electricity and the system operator is trying to find out where his or her power coming from at any given point of time in the system you have to figure out some way in which to rely on a certain component of that power

And also then when it really gets important is how do you pay for it You don't want to be in a position for paying for power you're not getting and as you might imagine contractual and operational negotiations get fairly detailed in terms of exactly how do you incorporate this power source into the grid

CASTANEDA Is the Energy Commission promoting solar power at this point or investigating it?

BLEVINS Yes What I remember to some degree clearly in the seventies and early eighties there was a huge push for residential solar both in terms of heating water photovoltaics were known to be not cost effective at that point in time but there was a lot of private sector research into trying to reduce the cost of the manufacture of photovoltaic cells which continues today in terms of people striving to make those cells more efficiently and cost competitive

Really in that period what I remember is And again the leader in this area initially was power plants proposed in southern California which were proposed by the Luz Corporation L U Z and they came to the commission with solar thermal plants that were

greater than 50 megawatts jurisdiction which caused them to fall in the commission's jurisdiction. The commission has no jurisdiction over hydroelectric power and it has no jurisdiction. Interestingly enough, if you were going to build a photovoltaic array across the desert and it was greater than 50 megawatts, the Energy Commission would not have jurisdiction over that because it's not a thermal power plant. The Energy Commission would have jurisdiction over what was known as the power tower, which was constructed by Edison in southern California, which is, in essence, a series of parabolic mirrors that are arrayed around a tower with a boiler at the top of the tower and the light of the sun is focused on the black boiler at the top, which produces steam and drives the generator on the ground. It's still not cost competitive at that point of time, certainly with the falling prices of natural gas, but technologically it was a concept that was worth exploring.

The Luz facilities were conceptually a similar kind of thing, except it was sort of like spreading the tower out across the ground, in which you took parabolic mirrors and you ran a tube. They're concentrating mirrors, and you ran a tube suspended above that mirror, so as the light hit the mirror at all points of the mirror, it would focus on that single point in the tube. And then you had a medium liquid in that tube that would carry as much heat as possible, become superheated, carry that

back to a location where there's water generate the steam generate the electricity through a turbine and those facilities were built across vast areas of the desert in southern California

They had natural gas backup obviously because of the fact that the sun isn't always shining and in a perfect world you'd like to sell power twenty four hours a day But of course as they had technical problems associated with those facilities they had to use natural gas more and more to the point where people were questioning are these really solar facilities or are they really natural gas generation facilities

The Luz experiment or venture It wasn't an experiment it was a venture There were financial problems I believe ultimately in terms of how it was corporately organized and how they were leveraging monies between the different projects To the best of my knowledge at least some of those facilities are still generating power today I may be mistaken but I don't know who the operator is

But there was clearly in the eighties a push towards centralized power the delivery of centralized power that was somehow driven by solar and we actually had facilities come in for siting purposes at the Energy Commission to sort of build on that vision

CASTANEDA Was it later that you were on the Natural Gas Vehicle Advisory Board?

BLEVINS No that was during the same period That was actually a very interesting situation for me Chairman Imbrecht had become enamored with the notion of a flexible fueled vehicle which is a vehicle that could be powered by either methanol or gasoline putting fuel in combination in the same vehicle Again we re backing up against that conclusion of mine about Chuck and the fact that he was interested in consumers having choice Clearly the petroleum market was one where we all buy gasoline or diesel There are very few of us that can go out there and have another choice So there was really no cost competition between gasoline at all

So the idea is again you give consumers choice you create some kind of other fuel out there that in fact would be competitive with gasoline Now methanol in those days was going to cost a little bit more but the advantage to the methanol was that it had a higher octane so you had much more performance in the car

Again one of those curious things about Chuck was he liked cars he liked to drive he liked performance so it was

CASTANEDA Didn t he have a sports car?

BLEVINS Obviously as soon as the FFVs flexible fuel vehicles were out there he made certain that he was in fact going to have one of those as his state car to drive So he primarily drove that but yeah he did enjoy driving sports cars when he had them I remember that he had

purchased a high end BMW that was certainly a fun car to drive for him

The other key player in this move toward methanol was ARCO. ARCO was an oil company in California, a petroleum distributor that got behind the notion of distributing methanol to filling stations, service stations throughout the state, and they would place these service stations in a way that you would be able to drive in and refuel on methanol if you were in a flexible fuel vehicle.

A little bit of an anecdote, one of the initial problems with this test program, because they eventually had FFVs in a few state agencies in California in the eighties, while it has more octane, it has half the driving distance. So the state employee who's used to driving on a certain amount of fuel to get a certain distance, not everyone was aware of that deficiency. So invariably, these cars that were easily identifiable because they had markings all over them, touting them as flexible fuel vehicles, methanol fuel, whatever the case may be, people were getting halfway down Highway 99 and trying to get back and running out of fuel. So you know, they were stuck on the side of the road.

CASTANEDA: Not many places.

BLEVINS: But they're stuck on the side of the road, so in essence, it wasn't really the best marketing. Initially, one of the best marketing ploys you

could have to have people see these cars stranded along the highway
But these are all startup issues and it was overcome

This became a very big deal nationally The United States
Department of Energy created a National Alternative Fuel Advisory
Committee and Chuck was the chair of that committee and hearings
were held in California People debated both the virtues of methanol
and the difficulties with it as a fuel operating in engines that had
traditional rubber components Methanol eats away at the rubber
components

To bring this back to your question about natural gas vehicles and
my involvement in the Natural Gas Vehicle Advisory Task Force I
had Clearly Chuck was locked into the benefits of methanol
fueled vehicles for the future I had sort of become enamored with
natural gas as a potential fuel Actually personally I felt that it had
great application in mass transit where as we sit here today Not
that I'm pressing it but I mean as we sit here today we have a lot of
natural gas fueled buses in the State of California and the transit area
and in school buses Really the thing that caused me to be interested
was the fact that a conventional diesel bus typically had to be serviced
every 50 000 miles A natural gas bus could be serviced every
250 000 miles So when you're looking at not only the air quality
benefits there was in fact an economic interest in those people that

operated public bus fleets because you pay a mechanic five times less often to service those vehicles. So I actually felt there was an economic hook there that could really jumpstart that technology at the time.

And I'm not the only one talking about that at the time. I mean there are other people that are fully aware of that as well. But it put me in an interesting situation with Chuck because I was beginning to develop my own notions about how natural gas had some benefits and of course he was interested in methanol. So I was always playing second fiddle because I worked for him.

But I sat on natural gas vehicle groups that were interested in promoting the use of natural gas in the transportation sector. I attended meetings throughout the United States on the subject and I've been around long enough to know that those areas where there's a good idea and a little economic logic behind it they'll show up sooner or later. And in this particular case we do have a lot of public fleets that use natural gas and it is a cleaner fuel by far than the diesel they were using.

CASTANEDA: We're talking in the period still I think before you Well up until 1992

BLEVINS: Right

CASTANEDA Are there other issues or things that you were involved in up until 1992 that you would like to address?

BLEVINS As the advisor to the chairman of the commission it was hard not to be involved in everything that happened in that period

CASTANEDA You've been talking about how your role might evolve how the advisor's role might evolve

BLEVINS Sure Let me bring up two more substantive topics that just relate to the for lack of a better term historic components of the commission's operation

One is that when the Energy Commission was created as I mentioned earlier it was given authority to regulate appliances sold in the state This was a situation in which the appliance industry was not thrilled about because it basically meant they were now compelled to make a forty nine state product They would have one appliance product that would serve forty nine states and then there would be the product that would have to be sold in California that was more efficient However the market in California is so large for any number of things [that] these kinds of regulatory moves tend to work I mean the manufacturers respond because they don't want to be losing market share

The commission had gone down the path of putting in place appliance standards on a variety of appliances I think it's the State of

Pennsylvania The State of Pennsylvania I believe in maybe again the late 1980s began going down a path where they wanted to now have appliance efficiency standards and they wanted to model those standards on the California model At that moment the appliance industry began to get concerned about the fact that they were going to end up potentially They were going to end up with varying degrees of standards in varying parts of the country So obviously it was in its interest to have a single standard nationwide

The National Resources Defense Council which had been pushing for standards nationwide and for all I know had some say in what was going on in Pennsylvania to create this fear amongst the appliance industry was very active in trying to move everyone toward the California model nationwide because appliances It doesn't seem like a lot but if you think of every refrigerator in the State of California and that refrigerator operating 20 percent more efficiently or all those refrigerators operating 20 percent more efficiently there are a number of power plants that that represents just because of the sheer number of refrigerators that are out there And the National Resources Defense Council clearly which was interested in as energy efficient an economy as we can possibly get to because it defers or even obviates the need for power plants that was the dance they were dancing and they continue to dance till this day

Ultimately this debate waged nationally about appliance efficiency standards and California was very much involved in that debate. Chuck Imbrecht was personally very much involved in that debate and the Energy Commission the commissioners the chairman can take a lot of credit for having in essence effected a national appliance standard for the country as a whole that has resulted in no doubt large savings across the board. So that is another historic point I think in the commission's history that's worth noting.

The other thing that began to happen in this same period of time when the commission was created I've referenced the fact that when someone proposed a thermal power plant greater than 50 megawatts that developer or IOU or whatever the case may have been had to demonstrate that the power plant was needed. In the commission's original need determination process that was a mathematical exercise.

But as people began to propose more and more power plants this is sort of in the cogeneration era in the 1980s it became more and more difficult for the commission to find need. As a result we went through a few electricity report cycles where the commission began to define not only need in terms of physical need in other words the lights go on and we need power but also economic need that in fact you can build a power plant that will fit in an economic niche in the system as well as a generation niche in the system.

This actually became a very laborious debate and it evolved into more power plants being brought online. What it also represented though was the commission politically and probably Chuck personally not wanting to be in a position to say no to constructing power plants. To some degree the commission is there to prevent an undersupply of power but they're also there to prevent an oversupply of power because it's not in anyone's interest to have more power than you need because that costs us all.

So there's this dance again that goes on to try to figure out where that medium is over time and as the commission evolved these new definitions of need evolved. We ended up with research and development facilities you know that were class and we could justify them because they in fact were going to test a new technology or someone could figure out a new twist on a conventional technology and define it as new technology you know you could get into the queue and get through the process.

So there was no shortage of power plants being proposed or being approved by the commission in the late eighties early nineties.

CASTANEDA But you had the standards for appliances and

BLEVINS At the same time yes. So your presumption is correct. We're barking up two different sides of the same tree. But then of course in the same period you have the IOUs in there complaining about more

independent power coming online through the cogeneration facilities and this gets back to this need determination. So by the end of the 1980s, the IOUs were in there opposing just about any new power plant that was coming into the system. Plus, it was also backing them out of the system in terms of their generation resources.

CASTANEDA: I can see where this is leading. [laughter]

BLEVINS: But anyway, so that is another key component in the commission's history. So at that moment, you had the pursuit of alternative transportation fuels in a big way going on at the Energy Commission; you had the debate on what need really was from an electricity planning standpoint; you had the appliance efficiency standards happening. And probably the third thing, certainly in the late eighties and early nineties, the commission in context of its building standards process had identified the gross inefficiency of metal windows that had been installed in California for quite some time: aluminum windows.

CASTANEDA: The metal frame windows?

BLEVINS: Metal frame windows, yes. The aluminum windows. I mean, aluminum is a great conductor of electricity. It's also a great conductor of heat, so it allows heat that's inside a house to move rapidly to the outside, because coolness doesn't move; heat moves. It's the heat that travels. So if you have a hot interior and a cold exterior, the heat in the interior is actually going to travel to the

exterior and that's the reason it gets cold on the interior and vice versa. Obviously if it's cool on the inside and hot on the outside that heat is going to — Those aluminum window frames are going to heat up and they're going to transmit all that heat to the interior which increases air conditioning load. It all gets back to the air conditioners or the appliances eventually.

On top of that we're having growth in California that's now getting fairly predictable which means that it's too expensive for people to develop and live on the coast and it's cheaper in the valley. Now the valley is the hottest place in California. So developers are out there putting in aluminum windows in the Central Valley which by definition these houses are going to have a much higher air conditioning load than those folks are on the coast. Air conditioning is a peak demand gets hotter between three and six o'clock in the afternoon.

As a result you now have to build more power plants to meet that peak that aren't operating across the board. So the dominoes begin to fall here and the importance of having windows that are much more energy efficient becomes a prime focus of some of the commission's activities. It started during this period of time. It eventually led to the building standards incorporating very favorable values for the insulation of vinyl windows and very unfavorable values for the

installation of aluminum windows to the point now where most windows in new construction are in fact vinyl windows

I personally sat through numerous hearings on this topic in business meetings at the commission. It was contentious because typically the aluminum window manufacturers who were very deep pockets and very politically active, aluminum was something where they could actually build up huge inventories and manufacture custom windows with the right machinery. Manufacturing aluminum windows is not a complicated venture. It's just you're going to have some basic dies and cuttings and you can build the box to put the window in. So as a result, the window manufacturers had warehouses filled with material. So the regulations requiring vinyl windows and requiring those in a given period of time bode ill for the people who had stored massive amounts of aluminum to make windows.

But again, the commission decided for vinyl windows, they decided a specific time frame and in some cases, the aluminum window manufacturers were not happy. And you know, again, it ripples down. The people who manufacture aluminum were ultimately not happy because again, they're losing market share based on these regulations. But it's one of those issues where number one, the commission was put there to investigate and number two, put there to operate in the public's best long term interest. And the best long term

interest obviously was economically to build houses more energy efficient so you need less power plants ultimately

CASTANEDA We're about to come to the end of this side

[End Tape 3 Side B]

[Begin Tape 4 Side A]

CASTANEDA This is tape four

The next question I had then was to ask you how the role of the advisor had evolved while you were in that position From second to first advisor right?

BLEVINS Right Well actually I was only a second advisor for a short period of time and became the chairman's first advisor I don't know probably six months subsequent to having been the second advisor and then I remained his advisor in the advisor position to him for nine years

I mentioned earlier on that when the Energy Commission was created there were a lot of unique features that really hadn't been put in play in a regulatory agency before Because the debate in the middle 1970s was so strenuous relative to nuclear and coal power versus an alternative energy approach when the commission was formed they took some great lengths to make sure that commissioners were not unduly influenced

One of the things that was incorporated into the structure of the commission was that the advisors of the commission in the case of

being Chairman Imbrecht's advisor you pretty much operate as the chief of staff for the office. And again being in the chairman's office you then have the lead relative to the other commissioners' offices both in terms of constantly explaining what your boss is up to and then also trying to make sure that the needs of the other four commissioners were being met along the way and also interfacing with the executive director who typically always had a close working relationship with the chairman. I mean in most cases in state government whether boards or commissions there is a strong working relationship personal relationship between the chairman and the executive officer.

CASTANEDA: Either now or later it might be useful just to delineate the role of the chairman versus the executive officer.

BLEVINS: Sure. In statute the commission is required to have five commissioners in this particular case. An executive director is chosen by the commission and serves at the pleasure of the commission. It's not a gubernatorial appointment; it's a commission appointment which translated means that you have to have three out of five people liking you at all moments in time because a vote of less than three means your job is over.

CASTANEDA: Does it come up for a vote on any regular basis or is there a term or something?

BLEVINS

No there's no term. You're there as long as you can keep people happy. Historically it's always been the case that the chairman's vote counts a little bit more than everyone else's vote because of the fact that the chairman spends more time working one-on-one with the executive director. The statute, actually as written, has the management of the commission as a whole flowing from the other commissioners through the chairman to the executive director. That's a very hard thing to convince other commissioners of once they're appointed. The great compromise is that on any number of subject matters, committees of two commissioners are created inside the commission. A good example would be a power plant siting committee that basically decides the rules and regulations that are going to be pursued, adopted, enforced relative to siting power plants in the commission. You would have a Research and Development Commission that would deal with all the projects that have an R&D aspect to them.

And then as those issues would come up, those committees of two would bring those issues forward to the full commission and sponsor a decision that was needed, or a report that was made, or money that needed to be spent to the full commission. The staff would do all the staff work. The executive director would be there with the staff to present that piece of staff work, and then typically the committee itself

would relay to the full commission why this was important why it needed to be done and then a public debate would ensue and then a vote would be taken

CASTANEDA So essentially the executive director is really managing the Energy Commission

BLEVINS That s correct That s correct But that role doesn t at all dissuade the commissioners and these are full time commissioners So as the executive director you sit forty feet from five gubernatorial appointees who have their own special interests and needs and want staff to be working on their particular issue So again it s a little bit It requires some interpersonal skills to be an executive officer of a full time commission and other people have done it and have done it successfully There are still quite a few of us in state government that have gone on In fact the executive officer of the Air Resources Board for a long time is a current energy commissioner So it s a skills set that I guess you re either born with or you develop quickly [laughter]

But anyway in my memory there was only one instance where there was a real debate amongst the commissioners about who the next executive director would be and that was early on and it resulted in the selection of John Geesman as the executive director who I think actually ended up being the compromise candidate He was the one

candidate that was being debated that could actually get three votes
three commissioners that supported him becoming executive director

CASTANEDA Geesman do you have the spelling of that?

BLEVINS Yes it s G E E S M A N who is also currently an energy
commissioner

That s the only real debate I recall Now there is one in which I
was personally involved in Chuck Imbrecht had persuaded the
commission to approve a gentleman named Randy Ward as the
executive director of the Energy Commission and Randy was there for
a few years Randy was obviously serving the account of the
chairman which is expected but to some degree he was obviously not
serving the account of the other commissioners I don t know if that
bothered Randy at all because he was doing what he thought he was
there to do It created a little bit of a groundswell amongst the other
commissioners and at some point in the process Randy was losing
some confidence of other commissioners and I think he knew that
and he moved on to other work

At that time I had been the chairman s advisor for about five
years in round numbers Arturo Gandara who was a commissioner
on the commission and a very very smart man a very clever man I
had been working with him a little bit and at one point he had posed
the question to me how would I feel about his support for me to be

executive director And my response to that was that certainly if it was the pleasure of the commission it s something that I would consider doing

I really didn t think very much of that conversation at the time but I also probably underestimated Arturo because at the next executive session where this issue was going to be debated and my boss the chairman had already in mind a candidate for the job in the course of that executive session it came up that not only Arturo thought that I would be a better candidate but the other four commissioners thought that I would be a better candidate as well

So Arturo who I think enjoyed creating some dilemmas for Chuck along the way—remember Arturo s a Democrat and Chuck s a Republican—had in fact effected a circumstance where the full commission other than the chairman wanted the chairman s advisor and the chairman s own advisor was not the chairman s candidate

They did not make a decision that executive session I was called into the chairman s office immediately [laughter] And told in no uncertain terms that I shouldn t be lobbying for something that was contrary to his desires I explained to Chuck my involvement the minimal amount of my involvement And interestingly enough this is probably one of those personal moments between two people who ve

worked together closely where it becomes crystal clear that It s
just one of those defining moments

And what transpired was Chuck no doubt from his prior
legislative days made the comment to the effect that I worked for him
and if I was in any way going to persist with this notion that he would
probably have to tell them all the things that I was not capable of
doing [laughter] And I in one of my more lucid moments had a
fairly good response I told Chuck at that point I said Chuck I don t
think you understand They want me because they know all the things
I can t do And it left him speechless at that point I don t think he
had anywhere to go But it was a defining moment between the two of
us that my sort of open style was something that meant something to
them

Now the rest of the story is the individual who Chuck s
choice was made I think as I remember it I went back to the other
commissioners individually and told them that you know I m aware
of the fact that the chairman has a choice for the executive officer that
I am a believer that the chairman should have his or her choice as to
who the executive officer should be and while I appreciate all the
flattery that this has created for me I do not want to be considered as
long as the chairman has another choice

CASTANEDA Well it sounds like you were more useful to him as an advisor

[Blevins laughs] Is that about what it came down to?

BLEVINS Yes right right Now actually I ve told people after the fact who I ve shared this story with is that it was a beautiful outcome for me personally because I had the satisfaction of having been the executive director although no vote had ever been taken and I didn t have to do the job So it was sort of the best of both possible worlds [laughter]

CASTANEDA That s true

BLEVINS I mean in my own head

The rest of the story is that they did select the executive director that the chairman wanted and about three or four years later that executive director moved on and then Chuck asked me to be the executive director And in hindsight despite all the uncomfortableness of that moment it was clearly something that was in my best interest because I certainly was a much better executive director four years later than I would have been four years earlier

And the other thing while we re on this topic because I do want to go back and talk about being an advisor and sharing certainly some of the interesting anecdotal and some humorous stories associated with being Chuck Imbrecht s advisor but the thing that also happened when I became executive director is that I was the first person in the

history of the Energy Commission that had come from the commission and had become the executive director

When I came to the commission in 1977 I had entered at the lowest professional rank in state government which is a staff services analyst and by virtue of how my career transpired in the Energy Commission I had been in essence molded by the commission internally and was in fact the first staff person ever to come from the deep bowels of the staff to become the executive director of the commission

So it was significant not so much that it was me personally it was significant in any organization like that when typically people go out and do nationwide searches for talent It sends a really strong signal to the staff those people that may have aspirations of being an executive director in an organization someday like that that in fact you can come from the inside It doesn't always happen from the outside

And of course as you might imagine being an executive director in that environment for that staff most of who I not only knew them I knew their spouses I knew their children these were personal relationships there couldn't be a better possible situation because they were there to make me succeed as much as I wanted to succeed So it would have been very difficult for me to screw that job up [laughter]

But I should point out [that] every commissioner has an advisor. One is statutorily provided. Well, I'm sorry, let me back up. I was in the throes. I think of pointing out the suspicion associated with people coming in and influencing commissioners when the commission was created to maybe support nuclear power or support alternative energy and sort of be the person who advised the commission to go one way or the other. So there was an obvious desire not to have a commissioner to have the ability just to pluck anyone from his or her past and use them as part of the process. So, unique to the Energy Commission, those sensitive positions were made civil service positions so they literally had to go into state government and find someone that had at least a year or two years' experience in state government before they could put that person in that position. So it made it very difficult for them. They were not exempt positions so it made it very difficult for them to bring in their own special person.

Interestingly enough, I think when I first got to the commission you know, you sort of look around, you see all the different jobs, and it was sort of odd in my mind's eye. I had this vision, you know, later on of thinking, you know, that would be a great job to have and to be in—quote unquote—that advisory role. And I guess this falls under the category, if you think it long enough, it will happen. But in this case, it did happen.

I think probably the evolution of the advisor was all in my head I mean I obviously became smarter and more informed about issues as time passed But you know I had come through college and actually the notion of an advisor probably that rang more in my mind than anything else had all stemmed from the Watergate process in which really those advisory roles certainly of a political nature had become more public for all their positives and their negatives But it gave you a sense of possibly a person behind the scenes that s really providing all the information to the guy making the decision and etc etc

That as it turned out was nothing like the job that I ended up with and that s because first of all Chuck Imbrecht was an extremely capable human being and extremely bright He invariably challenged me because I would think I would have the answer to every question And like any good smart person and politician combined he would think of the one question that I hadn t anticipated So I spent the bulk of that nine years being constantly trying to cover that base Sometimes I got it right Other times you know I was back on the phone and into the books trying to find the answer

But again because each commissioner had each advisor and those relationships were personal Chuck s style I think Chuck and I worked so well together because of the fact that we approached the world differently I came from a part of the country where negotiation

begins with trying to convince the person on the other side of the table that you really don't know that much and you need them to educate you about a lot of things

Chuck took a different tact. He always thought that you negotiated from a position of power and knowledge so that you wanted the person on the other side of the table to know that you knew everything. And he and I actually debated that once in a while and I just told him I always thought that I could get a lot more if people thought they were influencing my decision. In essence I was virgin territory and that's exactly what most people coming into a situation like that are looking for.

I had worked for him for quite a while before this difference came to light. It's sort of like being married to somebody and realize that maybe you both agree to be friends as part of the marriage and then you find out about four or five years later that your definition of friend and her definition of friend is very different.

But anyway somewhere along the line I was actually sitting in a meeting with him with some people from the outside on an issue and I mean I explicitly stated in no uncertain terms that I really didn't know very much about this and could they sort of walk me through it and we went through that process.

Now Chuck was probably a tad upset because it ate up time that didn't need to be eaten up. But the way he focused on it after the meeting was the fact that you know, 'What would compel you to do that?' Because I know you know more probably than they know. And then I explained you know, 'this is my style.' And then that's when you know, from that moment in time, the debate would crop up once in a while, but certainly he wasn't going to change his style and it was nothing I could change on my part. So it sort of evolved that way.

CASTANEDA: Maybe that's why you're a good match.

BLEVINS: That's right. I mean, we literally were yin and yang in terms of approaching the world.

And also, to some degree, Chuck Imbrecht was an interesting person that people tended to. There weren't very many people that were in the middle on Chuck. Invariably, there were people that liked him a great deal, and there were people that disliked him a great deal. The only difference in my mind between the two were the people that liked him a great deal really knew him and knew how he ticked, and we all have foibles, and they were accepting of those foibles. And the people that didn't, you know, basically took some of those foibles or you know, saw Chuck as being arrogant or whatever the case may be, they built their dislikes based on that.

But obviously the style that I presented personally was a much more sensitive style so people saw me as someone who was not threatening in any way and as a result it tended to make me very smart on a lot of issues and able to do my job much better So that probably was a strong part of the evolutionary process of an advisor

I had been raised in a strict Christian environment where I had been taught from day one not to judge anybody so ironically when people came in you know if someone came in with a perpetual motion machine or someone came in with you know something that really had merit you know from my standpoint they never saw anything different I treated both those people the same Or if in fact there were personnel problems or personality problems or whatever the case may be that ended up I think something that evolved with me over time

And then finally for whatever reason I never had agendas and I was always discreet and that may actually go back to the social scientist the investigation side of social science and the fact that you're never part of the dilemma that's going on around you right? Your defense mechanism is you separate yourself from it and then you're there objectively studying it and you wouldn't dare move information from one point to another because that would disrupt the experiment right? [laughter]

CASTANEDA So how did your relationship with Chuck Imbrecht change when you became executive officer? Because that does sort of change things structurally

BLEVINS Yes Right Actually well I saw less of him obviously than I did because I was doing that The other commissioners I mean to some degree my working relationship with the other commissioners didn't change at all because again in a personal level they had become comfortable with dealing with me and knew that I'd tell them if I knew something or tell them that I didn't know something But in terms of Chuck specifically I just saw him less

I think that he ended up I think the one thing I offered Chuck was that I obviously had some degree of confidence and he knew that he could go off and do things and no wheel would come off the car while he was out of state or out of country or disposed doing something else on vacation whatever the case may be So I think he had learned and had enough confidence that no matter what the situation was going to be it was going to be managed and managed well and as a result as time passed there was less need for interaction

As the executive director primarily I was now as opposed to being the one in the room offering advice and if it was just the executive director and myself and the chairman sitting there going

over some issue obviously the role changed in that I'm now not the person who's sitting on the outside throwing out ideas or suggestions or whatever the case may be. I was the person when that discussion was over was told to go make it happen. So obviously as executive director you become much more sensitive to the advisors throwing ideas out there because all they're doing is creating more work for you. So I was now having a chance to see it from the other side of the equation.

CASTANEDA As his first advisor it sounds like there's less of a transition from the chairman's first advisor to executive director to maybe another advisor.

BLEVINS Yeah. That would definitely be the case because the personal relationship. I mean if they have any kind of personal relationship that's really what carries the commission is that personal relationship. And it's not just the commission. I think you can go to any state government office that is either composed of a full time commissioner or part time commissioner board whatever the case may be and the relationship between the chairman and that executive officer is critical to the smooth management of that organization.

That executive officer has to have some interpersonal skills because invariably no one sits down and figures out which five people are going to get along the best after we put them together. So you

know you literally are having to manage personalities and expectations and everything else. And of course then they pick their own set of advisors. So as executive officer you're dealing not just with the chairman in a different way you're dealing with fifteen other people in a different way. And on top of that you're managing the staff. You're worried about budgets. It's a different ball of wax.

I think at this point why don't I just walk through the executive director piece and then I come back and we'll talk broader about maybe some of the personalities that I worked with.

CASTANEDA: OK. What I thought we might put in is it's before deregulation but events leading up to deregulation and sort of looking at trying to get back to that time and looking at things.

BLEVINS: Yeah, yeah.

CASTANEDA: So in any order you want to do this.

BLEVINS: Sure. First of all prior to 1992 when I was the chairman's advisor you could see there were fits of issues that were trying to push the deregulation envelope. You had a situation certainly by cogeneration where people want to get completely off the system. They want to be self generators but they wanted the utility to be there as a backup. Typically these were again people who were large manufacturers or industries that were large manufacturers and wanted more control of

their price destiny and supply destiny and quality of power destiny than they thought they were going to get from the utility

As time passed and these issues became more critical the PUC itself became a little bit even less predictable than it had been and that's not a judgment on the Public Utilities Commission it's just the nature in which issues would come up They might make a decision that would look a little eschewed of the prior decision and you weren't getting the continuity that typically business people like to see I mean they like predictability they like certainty and the world was becoming a lot more uncertain in terms of both electricity supply and cost

Probably one of the first big pushes was the Diablo Canyon debate where everyone knew that this five billion dollar behemoth was going to be loaded into the rate base and the way that rates were structured invariably the industrial commercial sector carries a lot of times the greater burden of those rates so they don't have to raise the rates on residential customers because residential inhabitants vote and businesses don't

So the active buildup of cogeneration power plants and the power producers the loading in of a large asset into PG&E's Diablo Canyon into the rate base all these little things were slowly building and the people who were on the end of purchasing the power were looking for

some kind of freedom flexibility etc And to some degree they personally and philosophically resented the way in which the PUC was regulating the investor owned utilities and thought it was a detriment to their business

So there clearly was a large The corporate push or the constituency push for some kind of deregulation was beginning to grow up in that early 1990s period I don t have super clear memories of this but what I do remember is there was a process between the Energy Commission and the PUC and I m not going to remember which colors came first but they internally began to explore the values of a more deregulated environment and these resulted in documents internal drafts One was known as the Yellow Book One was known as the Blue Book

Invariably there would be good ideas that would flow in but it was the assembly of the ideas where things would get bogged down because in the final analysis they were both protecting their turfs and to some degree deregulation was going to be successful only if someone stood outside of that box and said This is what I want This is how we re going to deregulate and I don t care about your turf and I don t care about your turf Now that person did eventually arrive on the scene in the form of Senator Steve Peace in the legislature

But I don't know if it was a godsend or if it was my misfortune but for whatever reason I was appointed to my next position which was outside the Energy Commission by the governor almost at the same moment in time that the legislature began to take deregulation seriously. So I was able to conveniently step completely away from the whole debate and not be sucked into it. But I was part of meetings on the Blue Book and the Yellow Book.

But they're very intelligent people. First of all, there are very intelligent people I believed located throughout state government. The PUC and the Energy Commission have no shortage of these people. There was good healthy debate that went on in those first three years if you will of sort of sincere reexaminations of how we regulate investor owned utilities and electricity markets, the notions of allowing consumers to purchase green power, you know through their bills. I mean there are a lot of new ways to look at again giving consumers more choice.

The conventional wisdom that eventually got everybody in trouble was that when we go to deregulation they didn't want the utilities to have or anyone else to [have] what they said exercise market force and that's to be in a position to control the pricing etc. And of course as we play this out we find out that they in fact when they

implemented deregulation they set up that very circumstance where people could come in and exert market force

CASTANEDA In this early planning phase and recognizing that you leave in '95 are people looking ahead? I mean you don't know what's going to happen you don't know how serious it is and deregulation but what is the commission thinking? What are you thinking or other commissioners about the prospects for deregulation at that time?

BLEVINS Well again you sort of have to start where people come from philosophically and those people that tended to be Well at that moment in time in 1992 you have a Republican gubernatorial administration that in fact has reported Well let me back up

Beginning in 1983 you have a Republican gubernatorial administration that has tended to appoint people that have a greater faith in the marketplace to really sort out the values of things and produce the best possible result in the final analysis So the philosophies that were gradually evolving at the two commissions were that deregulation was a good thing because we could in fact achieve some marketplace efficiencies that we're not otherwise achieving In hindsight I think there are huge fallacies to this notion relative to electricity supply

I do want to take one sidelight because I have a lot of respect for this gentleman and in fact he ended up being a commissioner to me

when I was helping them put the California Power Authority together Don Vial was the president of the PUC under the Brown administration He remained a PUC commissioner for quite some time into the Deukmejian administration and in fact was very much a part of that interstate natural gas pipeline debate and wanted to make sure that the PUC held its own there

But to his credit—and I've always been impressed by this—he was down to being the only commissioner on a five commissioner PUC that was the Democrat But until his last day he had the hearts and minds of that staff because they had a huge amount of respect for him that was not undeserved It's one of the fascinating Again maybe this goes back to the social science part of me but I became more and more fascinated by the fact that here a single commissioner that was in the minority on everything was really running the show and it's probably a testament to his skills and negotiating capabilities and everything else But the reason that sort of sticks up in the context of deregulation debate because he was there well into that debate as it began to evolve and again I think probably provided important balance to that debate

The other thing the thing that I think people tend to lose sight of even up until the present for those that are going to continue to argue for deregulation is that as a premise I am a believer in the market and

in the ability of market forces to produce the most efficient outcome but as a true believer you know that there are certain components that have to be present to make that market work the way it's supposed to work. One of those components is really good information that in fact you know the value of the commodity at a given moment in time or you know how that value may change or how much you're using what the rate of use is. You just have good information about what's going on.

The other is that you have more than one supplier so that you can in fact pick and choose and create some competition out there amongst suppliers. And then the third one you have an ability to hoard the commodity yourself so that in essence if the two suppliers are somehow in cahoots you have an ability to regulate that by saying "Well, I'm just not going to use as much of this anymore. I'm going to go use something else." If you have those three components in place you have a good working market.

When it comes to the production, the generation, delivery, and consumption of electricity through our natural monopoly system you don't have those three components and as a result the notion that you're going to pursue a deregulated market without adding some of those components really spells trouble from the beginning.

I'm obviously sitting here representing a particular philosophical view and based on my experience which evolved into being in a position where I was for six weeks buying and selling all the power in the State of California during the electricity crisis and then watching what went on subsequent to that crisis from the perspective of the California Power Authority I have now developed some pretty definite opinions about the best regulatory structure is there

CASTANEDA We'll get there We're going to talk about that

BLEVINS Yes But to some degree when I stepped away from all that I mean it never got to the point where I thought of it in those terms because I'm not a trained economist and these are things in theory that trained economists should be aware of

But the only thing I recall was after I left the Energy Commission and of course I was reading about the debate going on on deregulation in the legislature because it was very public a lot of my friends were in it and it was great drama as it played out but there was one fact that stood out in my mind and that was when the PUC basically Or a component of deregulation was that the IOUs were not going to be allowed to own their generation Well it's Q F power and I think they retained hydro and nuclear They retained nuclear But their natural gas fired plants other plants were going to have to be put on the market

The thing that I noticed is when those plants were on the market people were paying eight times their market value for those plants Duke Power whoever the other buyers were And I just remembered thinking at that moment in time There may be something amiss here [laughter] Because someone has figured something out here to justify that kind of an expenditure for a facility And I don't even know if they knew what it was but the bottom line was that there were signals They were sometimes subtle but there were signals coming through early on that should have been sort of early warning signs

CASTANEDA Does that go back to the rate base issue? They can charge based on the value of their property so if you spend more for it you can charge for it?

BLEVINS Well no This was basically people that were going to be unregulated The presumption was that when we deregulate this environment right well there's no price control but we deregulate this environment The paradigm that exists is there's going to be so many suppliers out there the price is going to drop like a rock on the open market right? Well the people that are going to be playing in the open market then in theory are going to drive that price down are purchasing power plants eight times their market value Those two actions don't align Because how is it that I'm going to pay eight times more for something and at the same time deliver it cheaper? [laughter]

CASTANEDA You're getting more competitors but more suppliers

BLEVINS That's right. So anyway, in terms of my peripheral following of deregulation at that moment in time, that sort of stuck out blatantly in my mind as to being an odd thing. We'll talk later about some of the other things that transpired.

CASTANEDA OK. Let me switch the tape over.

[End Tape 4 Side A]

[Begin Tape 4 Side B]

CASTANEDA Maybe at this point, unless you wanted to talk about something else, you could talk about the impact of Charles Imbrecht on the commission.

BLEVINS Sure. In terms of context, I think probably a few things to know about the chairman is that I think to this day he remains the youngest elected legislator in the history of the State of California. I'm not quite sure what that age was. It was just over twenty-eight. It's a very young age to be at that stage.

 As such, the other thing that I will always remember about Chuck was that he And I don't know all the story, but basically his team from Ventura High School was in the national high school debate championships and was in the championship round, and his team lost, but they were second in the nation in terms of debating skills. So

Chuck clearly prided himself on his ability to negotiate and to convince folks on any number of issues

So he came to the commission with some skill sets that were very honed at a very young age. He had been — I believe in the legislature he had become the Republican Minority Leader on the budget and again at that age. And this is the old California legislature without term limits where there had been people there for three decades in some cases that had been doing those jobs a long time and to have obviously someone that young in that position that early was again I think a testament to his skills

But I think it's fair to say until 1983 when Chuck arrived at the commission the commission was really a graduate school with a mission. I mean it had brought some of the brightest people in the United States to that location that cared about the issues of energy and how energy folds into the economy and they built these forecasting capabilities they pursued these technologies and they were generally academic in their approach. Actually if you look at the nature of reports that were produced up until that point in time I mean the commission's first energy plan first biennial report was seven volumes. In true academic spirit of publish or perish everyone got their say in the context of those documents. The commission was also unique in its creation in the fact it was looking twenty years into the

future and having to do that every two years and having to plan for that every two years

When Chuck arrived here you had someone coming from the legislature who was very familiar with legislative process who clearly was a natural marketer I believe he was marketing as soon as he was talking and was extremely bright both politically and just in terms of dealing with an issue that might be at hand He grasped new concepts extremely fast So to some degree the commission had been sitting there operating doing some remarkable things but sort of operating at 78 rpm s Oh I m sorry I ve got the analogy backwards The commission was sitting there operating at 33 rpm s yes 33 and a third and Chuck arrived and things were going to start probably operating at 78 rpm

So there was a new frantic sense of mission I think which was quite frankly a good thing for the commission I mean I think that was part of its growing process But it also was an environment that was readymade for him I mean here was a place where he was still publicly carrying on legislative committee meetings It wasn t in the legislature anymore but there was a commission there He was the chair of the commission He had actually pursued and got passed some solar access legislation In essence people could not block solar access by constructing buildings you know in such a way and he had

gotten that legislation through. So he had dabbled in the energy area before he had gotten there.

And he loved technology, and a large part of that commission was all about technology. Even the siting of power plants was about technology. He often quoted one of his law professors from Occidental [College]—went to school at Occidental—saying that technology is truth, which basically meant that sooner or later technology is going to expose what you can do, what you can't do, what can happen, what can't happen, and so the more technology you pursue, the closer you're going to be to what was possible or what wasn't possible.

So the dynamics of the commission had changed, and he was also in an interesting position politically when he came in. Number one, he had been an early supporter of Mike Curb and not George Deukmejian, and obviously George Deukmejian won the primary. The people around George Deukmejian were traditional Republicans that, no doubt, viewed, "You're either with us or you're against us, no matter what party you are." So Curb, again, in true Republican politics style, the Republican Party's bifurcated, and there's no difference in being from the other half of the Republican Party and being a Democrat in some of the. If you're coming from the perspective of that other half of the Republican Party.

So he came in. He was in that environment already. He was an ex legislator who had lost a bid for State Senate and he was a Republican. And I think to some degree there was a dilemma in the Deukmejian administration about what to do with the California Energy Commission. They sort of viewed Chuck as being out there and of course the Energy Commission had this Jerry Brown label already. So it seemed to meet a lot of needs at once and I'm sure Chuck knowing he was out of office at that moment in time was doing his part to try to find a place in the new Republican administration. So you know even to everyone else politically involved that was a natural fit for Chuck to sort of slip into the Energy Commission because here's a guy that's on the fringes of the party and here's an agency that's on the fringes of reality [laughter]. So it sort of lined up.

But what it did do. Chuck was in a position at that moment in time to articulate energy issues in ways that people had not done it before and this gets into the marketing piece. The best example that I can give that sort of gives you a feel for how this began to progress over time the commission at that time had to do this energy policy document state energy plan every two years. It was called the biennial report. Historically these reports had been very long on very small type and very small on photographs and graphs and things like

that So as a former legislator when he would see something like this come in to his desk it would go from the in box to the trash almost immediately because he had no time to read the thing whatsoever

When he now had some responsibility for that document—and I was his advisor at that time and was carried through this process for the first time and had some responsibility to make sure that obviously that document was what he wanted it to be as his advisor—the first parameter was you have to be able to read the entire thing during a plane ride from Sacramento to Los Angeles If you're not done by the time you get to L A it's too long Right?

The second presumption was that it needed to have a lot of photographs You need to send the message about what you're doing and it needs to look like the visual

CASTANEDA The visual You need to have visual

BLEVINS You need to have the visual The third thing that Chuck's responsible for that eventually got imbedded into his first energy plan was the notion that you needed a seal that looked official The logo of the California Energy Commission up to that point in time had been very Jerry Brownish It was sort of a wave crashing over fat letters you know Peter Max kind of letters and it didn't provide comfort for the business community certainly that we were saying there was some objective views of the world

So Chuck began instantly to He had been at the ICC [Interstate Commerce Commission] for a period of time in D C so he had visions of the And the DOE [Department of Energy] had this nice seal with all these things it represented

CASTANEDA Here s the marketing scheme you re talking about

BLEVINS That s right Oh absolutely And so we sat there and the graphics people and I was involved tried to get this vision down on paper and basically develop the seal that the California Energy Commission currently uses Personally I had virtually nothing to do with the actual seal with one exception and that was they were struggling I mean Chuck had the concept of having the bear somewhere above the seal and poppies on the side and he liked the notion of having a shield of some kind and have things that represented energy

They had decided on having sort of a lightning bolt across the top for electricity and then you had a natural gas flame on one side But they were struggling with the fact that they kept wanting to put an oil derrick or something on the right hand side or a gas tank or something to represent transportation and liquid fuels And I remember suggesting well you know symmetrically here you ve got a gas flame If you think about a drop of oil you know it has the same sort of shape as a gas flame and it adds balance That was my only contribution to the entire process But the oil drop stuck

So now we're building the corporate report. We've got the photos. Now we've got to figure out sexy ways to do the graphs. And of course the other thing Chuck wanted was he had a vision of a foldout map of California on the inside and a little symbol for every single type of energy facility there was in the state on that map: pipelines, transmission lines. So in essence if you opened up the center of the report you had the foldout where there was California's entire energy picture laid out before you and that was incorporated into the report.

We went through the process. We even got to the point where he had the vision of a bolt of lightning or electric charge or something going across the cover of the report so it had this striking look and we went through a long arduous process to get the look of that lightning bolt across. I mean this was gross detail in terms of marketing and we got through it.

It hit the streets. It was a hugely popular document to the point where one of the outfalls I remember from it—and I had never met the man before in my life and subsequently got to know him well because of my other responsibilities on the resource agency—but Dave Kennedy who was at the Department of Water Resources for a number of years and obviously can hold his own as a pretty smart guy himself called me personally amazed at how we had done this.

and was totally You know wanted to know every step we went through how did we do it and it was multicolored and how did we get through state printer you know

So it was something that was seen as a turning point but really that report represented in essence the fact that the commission was here in a very different way it was a very responsible government agency it understood the business that it was in and here s the evidence of all the different businesses that we touch on Here s how in fact we re making the economy of California better And so it was again one of those seminal moments in the history of the commission and that was his vision

Even though other commissioners had responsibility for the biennial report after that it never broke that mold And of course as time passed more state government reports started looking like the report that Chuck had put out there And DWR s [Department of Water Resources] next report Dave Kennedy s next report was a very nice report [laughter] So it sort of got away again from the Jerry Brown and analyze it to death explore it all in text and got to you know get the message out here s what s important here s where California needs to be and here s some analysis that backs that up

CASTANEDA You mentioned the Energy Commission Were there any serious attempts to decommission the Energy Commission?

BLEVINS

Absolutely yeah yeah There was certainly one and this is more primarily Well during the Brown years there were certainly the attempts to get rid of the Energy Commission legislatively because the IOUs I think realized what had happened to them They never anticipated that the Energy Commission's forecast would ever hold water against their forecasting capability which had gone on for decades and they were considered to be the experts in forecasting electricity demand

As soon as that forecast carried equal weight and was now starting to carry the day the IOUs I think legislatively came out for the commission in earnest I mean I was at a low staff level at the commission at the time that that was transpiring but you certainly got a sense that was going on and I didn't fight any of those battles

The other thing obviously that happened is that when Governor Deukmejian was elected and the Energy Commission was such a sign of the Brown administration that it took them no time at all in the first budget cycle to cut out about two hundred of the five hundred people that were working in the organization as an example of you know I was put here to get these kinds of things under control

The state government the Energy Commission had sort of a four fou image and now Governor Deukmejian a straight laced kind of

guy was going to make that commission be a little bit more efficient and focused on what it was supposed to be doing

So the commission was in the layoff mode during that period of time and actually to Chuck's credit in a very short period of time working with the administration the commission was larger than it had ever been before and had more money coming in than it had ever seen before aside from its normal The commission is funded by virtue of a surcharge on electricity bills In theory the less electricity you use the less money that flows to the commission for its purposes

But there are any number of events that occurred One was the courts had determined that the oil companies had grossly overcharged consumers during the 1979 gasoline shortage petroleum shortage so the notion of a petroleum violation escrow account had been created in the courts and the states received all these overpayments to spend that money as they would And the Energy Commission received I think at least 70 million dollars during that period of time It might have gone as high as 110 million dollars—110 sticks in my mind—as these payments accumulated back to the states

Of course this was like a giant low hanging piece of fruit to Chuck who was pushing methanol and these were petroleum violation escrow account funds so all this money could be channeled into an alternative fuels program supporting the development of

methanol as a transportation fuel. The one thing he had not anticipated was—and it's one of those interesting situations where a single event, a small event, can affect a great deal of outcome—I believe somewhere in this same time frame, there was an elementary school taking a fieldtrip to Marriott's in the Bay Area.

CASTANEDA: The hotel?

BLEVINS: The amusement park. Right. I mean, the actual name of it slips my mind, right. I can't remember the name of the amusement park, Marriott's.

CASTANEDA: In San Francisco?

BLEVINS: No. It's outside San Jose.

CASTANEDA: Great America?

BLEVINS: Great America, yeah, yeah. A bus had been involved in an accident and a child had been killed, and obviously, the press picked up on this. I think the manner in which the child was killed, he was sitting on the front seat and went through the windshield, and it was something that exposed the deficiency of the school bus fleet in the State of California. I mean, it was old already and it was aging and it was diesel and it was inefficient and everything else.

Clearly, as this large segment of money came in, there was only—I mean, you could still only probably deal with about 10 percent of the actual fleet with this money, but a piece of legislation passed

through the legislature that was sponsored by Assemblyman [Richard] Katz—I believe he was an assemblyman at that point—called the Katz School Bus Safety Act whatever And what they did was they took all this petroleum violation escrow account monies they gave them to the Energy Commission but the Energy Commission was responsible for using those monies to basically promote the purchase and use of more efficient school buses more efficient alternative fuel school buses but the larger presumption or all of it they were going to be safe school buses So to one degree Chuck got his alternative fuel money but it had a twist on it So I think to this day it s still referred to as the Katz Safe School Bus Program Richard Katz

At that time the commission s budget was probably somewhere around 30 or 40 million dollars a year so to get a slug of 75 million dollars was a huge deal having just been in a layoff mode and Chuck obviously did his part to have those monies flow to his agency

The other thing I think that occurred that again is a little bit of serendipity is when Chuck came into the commission appointed by the governor as chairman at that same time Ronald Reagan was President of the United States and Ronald Reagan was embarking on a path by which he was in essence dismantling DOE and a lot of its progressive energy programs in the alternative energy area and the energy efficiency area

It again sort of became a natural evolution of events that Chuck having the skills that he had being as vocal as he would be—and I don't mean necessarily talking too much but just you know having the willingness to go on air or be interviewed or do this or do that—evolved into somewhat of a national spokesperson on energy issues because this void was growing at the national level. And for the loudest people in the energy area which were those that tended to promote efficiency and alternative energy he became a very prominent figure nationally and was the. During this period the formation of the National Association of State Energy Officials occurred and he was chair of that for a period of time. He was the chair of the Western Interstate Energy Board for a period of time and again these organizations were existing in the midst of this federal void.

California became even more known for what it was doing. As his advisor and as executive director it was not unusual for me to have to sit in, do presentations, entertain whatever the case may be, foreign delegations. There might be one there every day for five days in a week. People were coming from all over the world to find out what was happening at the Energy Commission particularly in the alternative energy area and in the electricity planning side of things. The other commissioners were out there you know doing their thing.

as well but it was Chuck's personality and approach to life that was really carrying the day

As you might imagine there are any number of fond stories that I have in terms of working for Chuck and interacting with him at the commission. I think a few of my favorites. We had a commissioner who's still a good friend of mine named Commissioner Bob Mussetter and Bob would be defined by some as a little bit of a character and he would define himself that way as well. I think. But as you come into the atrium of the commission's building they would have the photographs of the commissioners there and Bob had been appointed commissioner so his new photograph was up there.

One morning Chuck walked in there with the photograph in hand and it said Robert Mussetter you know gave his appointment day except instead of a picture of Robert Mussetter it was in fact the picture of W. C. Fields with the top hat and behind the cards. Of course Chuck was a little upset that that some staff person had done this and wanted me to find out who it was immediately and stop it right?

So I asked around and I could find. And again you know I had my contacts so this was not a tough task for me to try to undo this and I asked around everywhere and I could not find out what was going on. And so I told Chuck I don't know. We're just going to

change the picture put it back up there and pretend like nothing happened

And of course a couple weeks later it's back and so we go through that process one more time and still can't find out. And then the third time it comes up and I just basically tell Chuck. I say, "You know, I think I need to go tell Bob this is happening because one of these times he's going to walk in and see that someone's doing this to his photograph and we're going to hear about it."

While all this is going on, you just have to keep in mind that Chuck, who wants to present this professional marketing and everything else, has this problem occurring in the atrium and he's flummoxed by it. I mean, it's getting on his nerves. And sure enough, I go over to talk to Commissioner Mussetter about this problem we're having and not wanting him to be offended by it and he proceeds to tell me that he's the one that's putting the picture in the frame [laughter]

There are many stories about Chuck. That's probably more of a story about Mussetter than it is about Chuck, but knowing how seriously Chuck took the presentation of the commission, you can just appreciate that this became a focus pretty quick.

Chuck was notorious for his driving skills. I always argued that he drove faster backwards than I could drive forwards. I can remember

going across the Bay Bridge one time and if I made less than fifty lane changes in that short span it would be surprising to me and that was with him telling me which lane I should be in at any given point in time

When they built the new Public Utilities Commission Building down in San Francisco we were down there for a meeting of some kind and Chuck wanted to go over and see the building Again appearances were everything and so he wanted to see what the new PUC Building looked like in comparison to the Energy Commission s building The construction wasn t finished yet I mean it was finished but people were not in the building yet and there were guards out front and everything else

The one thing that Chuck never let go of in his professional career was his legislative badge and so invariably if there was ever a need to use it he would use it to get what he wanted We showed up at the front door and were told by the guards that we couldn t get in for all variety of reasons and Chuck played the legislative badge pulled it out indicated that we were here from Sacramento to take a look at something specific in the building and we needed to get in and of course at that point the guard you know buckled and we went upstairs Ultimately what you found out that this was all about was he just wanted to make sure that the president of the PUC s office was not

larger than his office [laughter] So you know it gives you some insights of Chuck and how that marketing extended in all directions

CASTANEDA Let me ask you this What sometimes comes up in other interviews also is that he had an alcohol problem I m wondering if you could comment maybe on that and particularly if you saw any public manifestation

BLEVINS Sure Sure First of all I think it was widely known even at the time he was chairman of the commission and particularly toward the end of the middle of his third term when he eventually left the commission that that problem was there Obviously I was associated with him for a period of twelve years in a fairly close relationship I don t have any difficulty confirming the fact that he did have an alcohol problem which again makes in my mind the genius even a little bit more amazing because he did either physiologically and mentally and every other way most of the time have a way of not having that interfere with the day to day work and public appearances although over twelve years there are going to be one or two

Certainly probably the one that in my mind feels like it happened yesterday because I think I was living in such terror as it was transpiring was every other new legislative year when you have new members coming in and new committees are formed there s the traditional briefing of your agency to those legislative members of the

committee and in this case probably the Energy and Public Utilities Committee and where the chairman of the commission or the director of the department goes over and lays out what your agency's all about and what its mission is and what its accomplishments are and are expected to be

We were in the midst of that process and we had a briefing for it that committee of the legislature on the Energy Commission and it was scheduled after lunch I remember very vividly I don't know if it was that I met Chuck downstairs or walked from the office or whatever but before I was to the street to cross the street to head over to the Capitol from the commission's building it was extremely apparent to me that he had been drinking heavily and we proceeded to the Capitol We proceeded with the presentation

I think it was obvious to most of those number one who knew him during the course of the presentation that he was inebriated He was slurring words and the thoughts weren't quite flowing To his credit I don't think I've ever met a human being who could speak extemporaneously better than Chuck Imbrecht and so that wasn't something that only I had come to expect It's something that everyone else that dealt with him knew to expect So the degree to which that was beginning to falter that was a signal obviously to people that something was amiss

I think this lasted for about twenty five minutes I m convinced that my heart did not beat during that twenty five minute period and that the only thing that was going through my mind the whole time was damage control and how this was going to be put back together But in the course of the presentation I think I ended up witnessing something that you tend to hear about a great deal when you re in Sacramento around the legislature and that is that in the final analysis if you have been an elected official and if you ve been in the legislature you are a member of a club and usually to a fault other members of that club will do everything to protect you in order to not tarnish the public view of the club

So during the course of that presentation as the legislators at the dais became more aware of what was going on they proceeded in a fashion that allowed the presentation to look as normally as it possibly could and it looked remarkably normal for the event as it was occurring and in essence everyone pulled it off But it probably was one of my more trying moments as his advisor and it s probably the most striking one where I would say that his drinking interfered with his job

CASTANEDA Did he maybe have a sense of that at all or did he feel like he was okay?

BLEVINS

My experience is that And of course this is the sinister aspect of being an alcoholic is that you number one don't believe you have a problem and if you do have a problem maybe it's just a little problem and it's nothing something you can't hide or overcome

So after he left the commission and had been through some degree of therapy I actually had lunch with him in Sacramento I think I recall I was at the Department of Conservation so that might have been in the 1998 time frame '97 time frame I can remember telling myself that if he in fact is better that I would expect him to admit to me at that point in time that he had had a problem with alcohol in very explicit terms During the course of that lunch there was one moment where it almost blushed through but it never did and so unfortunately I walked away from that lunch I mean no one was sitting there drinking or anything but I walked away from that lunch with the sense that this problem was not over

And of course he passed on at an age that was way way too young for a person of his talents

The other thing I mean I blow hot and cold on the press all the time I mean I think it's just like society you know you're going to have good journalists and you're going to have bad journalists just like you have good people and you have bad people To his credit in terms of the friends that he did make along the way in Sacramento we

have a political columnist named Dan Walters who has been known to stir the pot on any number of things. He too is certainly an articulate person and actually tries to get California to come to grips with some of the issues that it faces both socially and environmentally and in areas of uncontrolled growth etc. But he was also a political columnist and he actually did an editorial on Chuck when Chuck passed away and it probably was one of the lowest acts of journalism I've ever seen in my life because obviously I knew the man and I knew the contribution he had made.

But for whatever reason there was a feeling at the *Sacramento Bee* or within Dan Walters himself or someone on the editorial board that this was something important to put out there and it was to the point where at that point in time Chuck had maybe a daughter that was eight and a daughter that was five and there really was no reason for them or their friends to be reading some of the things as they were characterized in that article. So that was probably collectively for all the people that worked with Chuck. And there were an enormous number of letters that gotten written in response to that article in terms of the unfairness of it but that was probably in Chuck's passing the low moment.

But like I said he was the champion of consumers. He was going to. If he thought people could be better off because they could have

better choices I mean he was right there with that all the time And he did change In fact he did so much at the commission I think it probably took I left in '95 I think it probably took the commission three or four years after that It really didn't know how to operate he had become such an integral part of the commission Again it was a symbiotic relationship where the two halves couldn't exist anymore without being together It took a long time for a new culture to evolve there

Actually one of the more outrageous things I mentioned one of the outrageous things I said to Chuck and that was the comment about you know when I was almost executive director I did tell Chuck one other thing that was fairly outrageous and he didn't shun me too much afterwards after I made this comment to him But I can remember him asking what I thought about him being appointed for a third term at the Energy Commission and I told him that I said I thought two times was an honor and three times meant you couldn't get a job And obviously he was not in that third term but maybe two years I think two or three years when it was all said and done

But during his period at the Energy Commission he was clearly the energy focus of the state and in some cases on some issues he was the energy focus nationally and he did as much as anyone to put the

commission on the map and it still lives off some of the gloss that he put on it

CASTANEDA Good I m going to

[End Tape 4 Side B]

[Begin Tape 5 Side A]

CASTANEDA Just for identification tape five

In 1995 you were appointed to a position at the Department of Conservation

BLEVINS That s correct

CASTANEDA So how did that position come about?

BLEVINS I had been executive director for three years at the Energy Commission What had transpired is internal to state workings the Energy Commission is an agency that comes under the policy and administrative guidance of the resources agency At that time Governor [Pete] Wilson s appointee to the cabinet as the secretary for resources was a gentleman named Doug Wheeler and the undersecretary was a gentleman named Michael Mantell I obviously had worked with both of those folks on specific issues and also there were regular meetings and invariably if Chuck couldn t attend the agency meeting I would attend in his place

CASTANEDA What was Michael Mantell s position?

BLEVINS He was undersecretary undersecretary of resources agency

So through the first term of the Wilson administration I had established a working relationship with these folks I believe just shortly after the election I was over in the resources agency's secretary's office and Secretary Wheeler requested that I hang back and have a discussion And it turned out that they were looking for people's names that they thought were bright and capable to put forward for consideration during the second term which Governor Wilson had just won The secretary of resources asked me if I had any problems with that happening and I said no And we did have I think a little bit of a discussion about how that might play with Chuck since I had been associated with him for over twelve years Doug says as I recall you know We'll deal with that as it happens So they put my name forward

I recall that the following February I took a vacation with my family to Albuquerque New Mexico to visit with her younger brother's family and I got a call indicating that they wanted me to consider a particular position which was the chief deputy director of the Department of Conservation I came back and I interestingly enough don't recall having a discussion with the governor's appointment secretary although I mean I know her well now I just don't for whatever reason If there was a meeting it slipped my mind but it's hard to believe there wasn't one

So they were offering me this job and really the only thing that the job offered to some degree was the gubernatorial appointment aspect that it was a gubernatorial appointment and to this point I had been in state government solely on the civil service track and the commissioner appointment or being appointed by the commissioner as his executive director So there was I mean I don't know if you want to call it the glory factor or whatever but the fact was is that at that point in my professional career I had not been appointed by a governor to any office and that sort of weighed in heavily But I was also obviously in a great situation at the Energy Commission with Chuck being the chair and serving as executive director and again having a highly capable and talented staff that was there to protect me all the way

As it turned out there was another event that transpired at that point in time The state was I think having Again we were coming out of the throes or just out of the throes of the recession and to show that the administration was doing its part those that were in appointed positions were not getting pay raises basically so they were sort of being held in place I was not in an exempt gubernatorial position so my salary at that point based on these things happening over time with this latest adjustment was going to creep above not above Chuck's salary but above the salary of the other commissioners

So you have the odd situation of where in fact the executive director was going to be making more money than the commissioners themselves

As it turned out the secretary for resources it did not bother him at all [laughter] And he was willing to go forward with that paperwork obviously if I was going to stay at the Energy Commission But it required the chairman to sign off on it and I knew that Chuck could not possibly approve a salary for me higher than his fellow commissioners

However there s a little wrinkle in the way that state payroll works in the fact that you have the capability of taking time instead of money So what I came up with was You have to do it voluntarily I mean you have to write a letter and there s certain limits to it obviously But I came up with a scheme by which I would take two days of it s called ATO administrative time off where you re basically given days instead of money to voluntarily reduce the amount of the check that I received The beauty of it was that it did not change my salary amount for retirement purposes so everyone was going to get a little bit of something you know The commissioners were going to continue to make more money than I was making I was going to get the benefits of the higher salary even though I wasn t

making it from a retirement standpoint which was fine by me and I was going to stay at the commission obviously

For whatever reason and I don't know if it was one of Chuck's less lucid moments but he chose to never sign that document even though I'd thought I'd come up with a scheme that helped everybody out and that was a source of frustration to me when the proposal came back to go to the Department of Conservation as the chief deputy I don't know if it was selfishness on my part or feeling that I had not been appreciated or whatever the case may be but the timing of those two events in my gut told me that you know it was now time to move on

CASTANEDA Was it two days? You might have mentioned Was it two days?
During what time period would it be?

BLEVINS For some reason I think we were trying to process the

CASTANEDA Was it a month?

BLEVINS Oh yes it was a month Right Yeah

I mean but the whole issue of the salary and that was sort of happening in January and then I sort of went to Albuquerque and then in February the offer came forward And the time had passed by which Wheeler could sign In fact he said after to me he was surprised that Chuck never brought it forward and no one understood why it didn't happen

So anyway I had made my decision at that point I left the commission and went to the Department of Conservation It all happened very quickly I mean there was no I had been there seventeen years I think and you know there were no commission resolutions there were no real parties or anything I mean it was a clean and swift cut

People have told me that this was not the case obviously but one of the things that obviously has gone through my mind in hindsight is that Chuck's condition seemed to get worse over time after I wasn't there and he had very capable I mean he had a very good friend of mine working for him as the advisor But a lot of people feel that that degradation was on its way anyway but you know I couldn't help but notice the juxtaposition of the two events

CASTANEDA Now this arrangement would have been with the resources agency?

BLEVINS The salary arrangement?

CASTANEDA Yes

BLEVINS No well actually

CASTANEDA I just want to make sure I understand the different

BLEVINS Well the secretary of resources has oversight over the chairman of the commission

CASTANEDA OK That's OK I just wanted to be sure

BLEVINS Yes So in essence what happens is as the paperwork flows the chairman s making the recommendation that there be this change in the salary status of this person by signing off on it and then the secretary s office makes it happen

CASTANEDA The secretary of the resources agency is over the Energy Commission?

BLEVINS That s right That s right The Energy Commission is one of about twelve commissions boards departments that are under resources agency yes

I went to the Department of Conservation There in the eyes of the secretary of resources and the undersecretary I think they felt that they had a developing management problem there I went there with no expectations about being anything other than the chief deputy director

What I didn t know was that the current director had taken a very capable person there and administratively had made that person the number two without really telling the governor s office that that had happened So it created sort of an awkward position for me when I was actually appointed the number two and got over there and found that there was a number two [laughter]

CASTANEDA Yeah that would be awkward

BLEVINS So anyway that sort of It was a bit of a I mean first of all and you can put yourself in my position I had spent seventeen years in

one organization with about five hundred people and had gone up through the ranks and knew everybody etc etc I had just jumped ship and gone into an environment where I knew absolutely nobody had a vague sense of what the Department of Conservation did and as state government goes a whole new set of acronyms that you know it would take you a year to figure out where these were part of my vernacular already over at the Energy Commission So it was a little bit of a daring move on my part but I felt it was the right thing to do

Just in terms of context of what happened over the next two years at the Department of Conservation I went there as chief deputy Eventually the director moved on I became the acting director of the department for about four or five months They appointed a new director We then worked with her toward her confirmation She was confirmed by the Senate Rules [Committee] and on the very next day announced that she was leaving the department to take a job in the private sector which made me the acting director a second time for the department while they went and found a new director

I think there actually might have been a scenario under which I would have been the director the second time around but the new second director after I was the acting director a second time And this is all transpiring in a period of two years So clearly the staff of

Department of Conservation felt a little unsettled by the fact that there was all these changes in management going on during that period

But the second director who came in there was actually a friend of mine before any of this ever happened. I had worked with him in a variety of areas associated with the Wilson administration and he had taken a job in the private sector. And that company at the same time was going through its own set of layoffs and he was newly there so he was newly out

CASTANEDA And who is this?

BLEVINS This gentleman's name is Larry Goldspan. But he had been with the Wilson administration for a long long time. He actually as I understand it was a high school intern in the mayor's office in Mayor Wilson's office in San Diego and had worked for Bob White in Washington D C when Pete Wilson was U S senator and so his circumstance meant that he was in need of employment. And if there's nothing else that you need to know about the Wilson administration it is a family and you know people stick together and work together very well which is a testament probably both to Governor Wilson and Bob White. So Larry was appointed director of Conservation and then of course what happened to me at that point becomes a little more interesting

Before I go beyond the Department of Conservation I just want to mention the fact that at that moment in time Department of Conservation really was a difficult place to manage because it was made up of four or five completely disparate programs that have nothing to do with each other So if it was a training ground—and I guess it was—it was a good place to train

They have responsibility for the Williamson Act which is protecting farmland in the State of California They have responsibility for ensuring that the mineral resources of the state are in fact available and not built over They have responsibility for Service Mining Reclamation Act which means that if you do mine those resources that you have to put the land back the way it was It had the Division of Mines and Geology which is the oldest currently acting component of state government in California and that housed not only the minerals protection component but it also housed the seismic safety component from the Alquist Priolo earthquake laws

It has the beverage container recycling program which is a 450 million dollar program not in terms of that money coming to the department but in terms of that money being churned over in terms of recycling revenues and payouts associated with the recycling program and focused on aluminum plastic glass beverage containers

It in itself is probably one of the single most complicated programs in California state government. The machinations associated with that program are extremely complex. The common joke was that there were probably only five people alive that really knew how that program operated. And obviously as director I made it my business to know those five people real well and they weren't necessarily in the department. They were in some cases lobbyists and people in the environmental community.

So it was a management challenge. During that period I can remember us taking a look at was there a way to make the beverage container recycling program more efficient. Even though I knew nothing was going to change in my own mind I realized that the program had actually satisfied its mandate and we really didn't need the machinations anymore. But there were clearly people in the environmental community who did not want to lose some impetus behind the recycling of plastic containers and glass containers.

What happened I mean first of all the spirit of the law is a litter reduction of beverage container recycling program so the primary purpose of the law was to get litter off the freeways in California.

CASTANEDA: Does this have to do with the garbage pickup at all or the recycling program?

BLEVINS

That's all evolved. I mean, the common theme through all this is aluminum cans. It's aluminum recycling. The gross purpose of the statute is to achieve 80 percent recycling for beverage containers in the State of California. 80 percent recycling rate. The reality is, is aluminum cans, at least when I was there, was operating about a rate of 95 percent recycling rate, plastic somewhere in the 65 to 70 percent range, and then... Have I got this right? And then glass, I want to say, was in the 50 to 60 percent range.

But the problem was, it's the volumes of these materials by type. Aluminum, in terms of numbers, completely overwhelmed everything. I mean, it's an order of magnitude beyond, in terms of the volume going into the economy, of glass and plastic. So technically, if you blend them all together, you have an 80 percent recycling rate. And you could basically stop the program, because the value of aluminum is such that we're going to have an 80 percent recycling rate for aluminum. I mean, we'll have the 95 for aluminum and all the other recycling rates to where it's always going to be 80, you know, pretty much, in that niche, 78-82. It's going to waver around that number.

But clearly, a lot of interest for that kind of money swarm around that program, and they're not about to allow anything like that to go away. Again, to quote the governor in the last few weeks, "We'll see

if that is in fact one of the boxes that gets blown up or somehow folded into another area of state government

CASTANEDA Yes consolidation seems likely

BLEVINS Issue of the day

Then finally at the Department of Conservation is the Division of Oil and Gas which again is a state regulatory function that goes back to the 1920s with two primary purposes one to ensure that oil is extracted in a manner that does not damage the oil fields of California so that there is an engineering component to it and then that the wells are shut in in a way that they do not infringe upon the integrity of the water table

So it was very difficult to hold a meeting with my deputy directors and keep any one of them interested through the entire meeting because we spent four fifths of the meeting talking about something else And there are stories as to why this Christmas tree has been built at the Department of Conservation Invariably it is as simple as the fact that recycling beverage containers is conserving a resource as opposed to being a waste management issue So things as simple as that have dictated where these programs have ultimately gone

CASTANEDA So by the time you're getting a sense of how this works you're

BLEVINS Well I think anyone who has been acting anything in a public agency knows that out of respect for the person that you know is coming after

you you really are there maintaining course You re not about to take any major policy swerves one direction or another because you don t want to predetermine an outcome on an important issue that hasn t been looked at by the individual that has been appointed by the governor s office to carry that out

CASTANEDA Did you expect you would stay there long? It seems like

BLEVINS Well interesting Well actually when I heard that Larry had been confirmed I was beginning to think about looking to the outside because I had been asked to do a job which was sort of hold the Department of Conservation together while they tried to sort all this stuff out And then when Larry came on and stuck as an appointee I really didn t know what to anticipate and was planning for all potentials Clearly I was a civil servant and had return rights back to the Energy Commission but I would go back at a lot lower level than I left

But ironically the day that Larry was confirmed I got a telephone call from the governor s appointment s office and was asked to come over I walked over and the appointment secretary at that time was a woman named Julie Justus and she said We have another little job for you to do which I found interesting because I mean this literally was the day of the confirmation [laughter] You know there s an old

adage in Sacramento that you are the last person to know what's going to happen to you

But anyway I went over there and I actually had believed that she was going to tell me that they wanted me to go over and be a deputy secretary for Doug Wheeler the secretary of resources because I had an established working relationship there and it was positive and I know Michael Mantell sometimes thought more of me than he should have But the truth was I went in there thinking I had it all figured out And she asked me if I had any idea what it was

And I said I think I know what it's about and I told her what I thought it was all about

And she told me I was wrong and she says We want you to be the undersecretary of the California Environmental Protection Agency

Now we're going to go back to the comment I made earlier about envisioning things and then them happening The thing to know is that the California Environmental Protection Agency was created in round numbers '92-'93 It had been a creation of the Wilson administration through the standard government reorganization process through the legislature So it was done administratively it wasn't done statutorily

While that was happening obviously Chuck Imbrecht because of his articulate nature was on the short list and was considered someone

that would be ideally suited in people's minds would be a great first secretary for environmental protection for the State of California. So in that period of time it was not lost on me that well if he goes as secretary it's probably a very strong possibility that I go as undersecretary. So again in my head the vision thing starts working. I'm thinking, 'Well now what's this all about?' etc. right?

CASTANEDA Right. Interesting.

BLEVINS So he eventually did not go as secretary primarily because of the matters that we have previously discussed. James Strock from an enforcement unit at U.S. EPA [United States Environmental Protection Agency] in Washington, D.C. was selected as the first secretary, an extremely intelligent human being, someone that I got a hard time later because my first interaction with him was on a pleasure boat in San Diego on a cruise and I ended up sitting next to him. And some of his staff were there and I, you know, to create some chitchat asked, 'So what do you do for fun?' And of course the M.O. [*modus operandi*] on Jim Strock is that he works. He doesn't do anything for fun. [laughter]

CASTANEDA He doesn't have fun.

BLEVINS But the truth was that no one on the staff had ever asked that question. As it turns out he does do things for fun and he had talked about how he had taken a bicycle ride down along the channel here.

CASTANEDA The American River bike trail?

BLEVINS I think he actually went down the levee Well no I mean the levee
Somehow we talked about the

CASTANEDA The American River?

BLEVINS Well yes it probably was the American River yeah when I think
about it I got the feeling it was down somewhere close to the port but
that s

CASTANEDA Could have been

BLEVINS Could have been yeah

But anyway the thing that was interesting I think Jim had known
that Chuck was a potential candidate right? And of course Jim was
coming in this new environmental capacity and the Energy
Commission in essence had been an environmental agency certainly
in terms of promoting new alternative energy technologies Well
those can also be defined as new environmental technologies because
they are more environmentally benign

So you ended up immediately with a little bit of conflict between
the Energy Commission and CalEPA because of the personalities
involved right? And I was executive director So the only thing I can
remember where Jim Strock really got me in my capacity as an
executive director was the Energy Commission CalEPA and I m
trying to remember the third agency maybe it was Department of

Food No maybe it s Trade and Commerce Agency The governor had created this trilateral commission for lack of a better term that was going to look into the creation of It was examining the promotion of export technologies for the State of California to international markets in essence building the economy You know it s sort of the next notion of microchips going offshore

A whole report was developed and everything and of course I got sent a copy of the report as it was written up I read it and I made some changes and then appropriately noted the Energy Commission s involvement in this and the Energy Commission has this program that does that and blah blah blah Well the report comes out after I ve seen it and wrote a memo wrote a letter back to the secretary saying

I ve reviewed this report I find it to be an excellent report You ve characterized the commission properly in its programs and its mission etc etc

The report comes out and there is no mention of the Energy Commission anywhere in the final report OK Jim Strock had gone through and purged every single reference and this is in light of the fact that the executive order says the Energy Commission is one of the three people putting this report together So that became a little point of discussion between Chuck and myself because there was the letter where I said the report was just fine and there was the report when

there was no mention of the Energy Commission and in essence we've already been down the path where Chuck was very interested in how the commission was portrayed to the outside world. And to find out that we had been part of something that had been completely purged from reality again caught me in sort of an off position.

I've never raised that issue with Jim Strock in my life even though he and I have seen each other after that a few times but it was a true gotcha in a big way.

So that's the context for all of that. All of that was in my head the moment that the governor's appointment secretary told me she wanted me to be the undersecretary of CalEPA. And of course my first question was Is Secretary Strock still going to be there? [laughter] And what had happened he was not. He was not. He was moving on. This was a little more than a year before the end of the administration the second term. He was moving on. They were moving the undersecretary up Peter Rooney to be the secretary of CalEPA and I had been selected to be the undersecretary for that final year of the administration.

What happened there is still getting me in trouble to this day. First of all when CalEPA was created there was an unwritten deal cut with the agricultural community of California the farmers in California because the Department of Pesticide Regulation that responsibility

had been housed at the Department of Food & Ag And in most people's minds certainly in the environmentalists' minds that was the fox watching the henhouse

So a deal was cut to move Department of Pesticide Regulation into the California Environmental Protection Agency scheme of things The deal was that the undersecretary at CalEPA would always be a representative from the agricultural community in California Peter Rooney was a farmer by business so you know he was in the right place When they moved him up to secretary that account was then served and I sort of became the first person that was nonagricultural to be the undersecretary So we sort of broke the agreement Now it went back after when the [Gray] Davis administration came into power and they appointed an agricultural undersecretary

But the other thing that transpired well one personal and then one that turns out to probably be the best negotiation I ever did in my life I went home to tell my wife about the fact that I'd been made this job offer it was going to change our lives because being part of the super cabinet is not an eight to five job by any stretch of the imagination and I told her We've got to think about whether we want to change our lives in this fashion and I explained it all to her

And then she told me that she had some news for me and that I was going to have a second child. So that weekend was sort of one for the books.

CASTANEDA Momentous

BLEVINS That's right. But we talked about it and I explained to my wife that the advantages of taking this job was that it builds on the retirement and by virtue of the fact that I have been in state government a long time anything that increases salary is a good thing because as you multiply all the variables together they begin to maximize at the back end.

So I went back and I told the governor's appointment secretary I said I'd love to take the job but really the only thing that's in my interest. We all know that I'm only going to be in the job a year so the only thing that's a reason to take this job is to bump my salary up for retirement purposes. So my position is I want you to pay me the most money you can possibly pay me for that last twelve months so that I can get the maximum retirement benefit.

And she said No problem and so at that point I was in

I'm going to reserve the rest of the story but I still continue to be one of the highest paid people in a non-confirmable position in the State of California which has not been lost on any number of new administrations that have come after that fact.

And probably the other interesting thing in that story just to show you how sometimes you can be upset at people and they end up being your very best allies I've always been curious as to how my name came up relative to going to CalEPA As it turned out Peter Rooney had not had much state government experience and people were a little nervous about the fact that he was going to need some support in that area if he was going to serve as secretary and my name came up As I understand it the person who actually became an advocate for me taking that job was in fact Jim Strock

So it all sort of played out from the original Chuck Imbrecht Jim Strock competition for who was going to be the first secretary of the California Environmental Protection Agency to me thinking about the fact that I might be undersecretary to transpiring six seven years later where the first secretary was actually recommending me for the job that I thought that I was going to end up with vis a vis Chuck

And of course the other sort of odd thing that wasn't lost on me I was appointed to that position on October 13th and that was the first day I reported to work for the State of California exactly twenty five years earlier So twenty five years to the day I found myself now not just having gone from the entry level executive position to state director

CASTANEDA Did you realize that at the time? Did you notice that later?

- BLEVINS Oh yeah yeah Well you know as a social scientist you're sort of
You get a little scared when the bigger things start to line up
- CASTANEDA So you were there for a couple years before you had another
- BLEVINS Well the truth is I've never left [laughter]
- CASTANEDA You've never left but you took a temporary assignment
- BLEVINS I took a temporary assignment I was appointed October 13th 1997
The presumption in everyone's mind including my own was that at
the end of the election I would be gone There's another story there as
to why I didn't go and remained during the Davis administration
Then the electricity problem began to appear The secretary of
CalEPA who I was now working as a deputy secretary for instead of
undersecretary knew my background and knew that I have an
extensive experience in energy and electricity and so I began
representing him at meetings that the governor's office had begun
holding on a regular basis to start dealing with the problem
- CASTANEDA Who was at those meetings? Is it a long list?
- BLEVINS Oh yes It's quite a long list of people represented It's basically
- CASTANEDA Most of the state agencies
- BLEVINS That's right To borrow Governor Schwarzenegger's vernacular all
thirteen energy agencies were represented
- CASTANEDA Lots of boxes huh?
- BLEVINS Lots of boxes

But it was also the governor's office and a variety of people from the governor's office because it was clear that this was a developing serious problem. And by the time I had gotten there and by the time I got into those meetings we had the CERS [California Energy Resources Scheduling] unit at DWR had been formed. California Energy Resources Scheduling office. It had been created because the two large IOUs in the State of California investor owned utilities electric utilities had gone bankrupt. Well they had no credit worthiness by that time.

CASTANEDA Right That's PG&E and

BLEVINS And SoCal Ed Southern California Edison. Those events had transpired by the time I was in this and it's called the Energy Working Group by the time I was brought into the Energy Working Group.

[End Tape 5 Side A]

[Begin Tape 5 Side B]

CASTANEDA Also I wanted to ask you did you know the governor before he had appointed you to these positions?

BLEVINS My first interaction with Governor Wilson was actually when I was an advisor to Chairman Imbrecht and that stemmed again from some of the chairman's desires to market alternative fuels and to pursue flexible fueled vehicles and methanol as a fuel for flexible fueled vehicles. It turned out that in the governor's last Senate campaign

there was a desire to appear in locations like on environmental day visiting certain locations on environmental day to have him be seen using an alternative fuel car and the Energy Commission had a fleet of these automobiles By virtue of the fact that the chairman was obviously looking to promote alternative fueled vehicles he saw this as a great opportunity

However someone from the state government had to drive those automobiles It could not be someone from the campaign for all the obvious reasons And so I was the only person that the chairman trusted to drive a U S senatorial candidate so I was sent down and told to be at a certain location with a car and in fact my first meeting spent a day driving him to various locations to give speeches as U S Senator

There were two interesting things that stick in my mind as a result of that First of all I had never done this before in my life so I learned real quickly one of the rules of the game and that is there s a car in front of you that you follow and that the expectation of the person that s sitting in the front seat with you while you re driving is that you don t allow more than a single car length between you and the car in front of you because you don t want to create a situation where a car can get between the lead car and the car that has the senator in it

And of course there's some discussion going on and I'm enjoying myself driving and chatting along the way as the space continues to grow between the two cars. Eventually I can see people in the lead car frantically motioning to me and then the gentleman sitting next to me says "You need to speed up rapidly now" and then it was explained at that moment what I should be doing. So I remember that vividly.

Also I remember in meeting him that time that he was reading the paper and he and Mrs. Wilson was in the car for a period time. They were chatting. Expecting to get a lot of technical questions from the governor. I didn't get any technical questions from the governor. But the first... I'm sorry I'm ahead of myself. From the senator. From the senator.

But the senator's wife had a number of technical questions and of course as we now know she's a very educated person, a fine mind in her own right and was curious about how the car operated, etc. And even though she was asking the questions I had clearly the sense that the senator was listening to the responses.

CASTANEDA: Yes, I'm sure he was.

BLEVINS: He was actually very familiar with alternative fuels issues himself so it was a little bit of a test for me. But they're both very cordial people in private just like they are in public.

I think the remarkable thing that occurred relative to all of this was that in dropping him at the airport to go to an event that evening I think we were on the far side of an airport in Oxnard and he was flying to an event in Santa Barbara that evening and they all left everyone said their goodbyes I get in the car and I notice that his glasses are in the backseat of the car as the plane is leaving and I know I can't get to Santa Barbara before he does [laughter]

I was driving back to where I was headed and I noticed that there was a van of people that had been part of this that in fact were driving to Santa Barbara so I flagged them down and got them to pull over and I handed them the glasses And I thought that was the end of the story

Later on in that year And as you know political conventions in the state are held in Sacramento on the election year And when they were in town I would go down and frequent them and see what was going on I went to one of these and I saw some people there I just remember they had this Golden I think it was the Golden Bear Club where basically these were \$10 000 donors and somehow someone got me into this reception where Governor Wilson was going to pass through and say hello to everyone you know have a personal chat with them and everything

And so I'm standing there and I can see him in the distance coming down the line and he's sort of looking down. He looks down the line toward me and he sees me and he leaves the regimen there and moves all the way down and says hello and says basically B B Blevins how are you? And whoever I was talking to he says This is the guy who helps someone remember where they leave their glasses. And this is about six or eight months later and I was just impressed by the fact that you know number one he remembered that incident which to me was not that big a deal and he associated it with a name and a place and a person. And I think it's a reflection on the abilities that these people have to recall not only facts but people and places the way that they can and probably is a testament to why they are where they are. So that was my first interaction with then Senator Wilson.

I also did a day's driving when he was senator and it was known that he was running for governor. But at that point I had had no interaction with him. There're the standard Christmas parties where you say hello with the other five hundred closest friends. But clearly I think one of the most Well before we go to that moment another Chuck Imbrecht story

When Senator Wilson became Governor Wilson and he came into Sacramento as governor obviously there was a process where he was

getting information about state agencies and again Chuck had the responsibility of going and briefing the senator. He and Senator Wilson had worked very closely together on the reauthorization of the Clean Air Act in Washington D C while he was U S senator. So Chuck clearly felt on familiar ground going into that office.

For whatever reason the governor may have a little bit of a reputation as being a policy wonk and as a result the staff is very careful about at least at this moment in time which is 1991 is very careful about the fact that the meetings stay on schedule and we don't get off on tangents and everything. And there you had Chuck Imbrecht walking in always looking for an opportunity to market. A briefing that had been scheduled for thirty minutes went an hour and fifteen minutes and Chuck was in his element and the governor was in his element and the staff was beside themselves. So it was one of those *West Wing* moments where you could see the staff getting fidgety about a lot of things.

But anyway I think one of the moments that I actually felt like an interloper was typically when cabinet meetings are held the governor doesn't attend those but he had in fact called his last cabinet meeting and the secretaries and the undersecretaries were encouraged to come.

I don't believe Mrs Wilson was there but he came to the cabinet meeting. He thanked everybody you know. And of course I clearly

was someone who came very late to the game I mean there were people sitting around that table that had worked with him his entire professional career and had been friends with him their entire professional career and there I was you know relatively new to all of this but nevertheless included because I was part of that group And it was a very touching exchange of comments and pleasantries and nostalgia and there were grown men crying you know in that environment

Maybe it's the historian in me or the social scientist in me I knew that I was sitting there witnessing the culmination of a person's professional political life and it was one of those things where if I'd found a way The historian in me wouldn't have allowed me to leave but you know the person in me knew that this was a very private moment amongst those folks

And of course the irony for me—and it's probably a testament to our system—is within a very short period of time I found myself back in that same room with a whole different set of people and you know there had not been a hiccup in anything that the state did So it was quite a week to just sort of sit and absorb that and watch that transfer of power

CASTANEDA Yes I can imagine

BLEVINS

I wasn't involved in any way in any kind of transition related to that but I was in a position where in fact I continued to be undersecretary for about five months into the Davis administration. So I was getting a very good feeling for the contrast between the two styles of the administrations and like I said the notion that we do things in a very orderly fashion here.

In fact I think it turned out that the first meeting of the undersecretaries with a lot of the new appointees occurred at a time where there had been some transfer of power in Indonesia or whatever and they literally had gone into the Capitol Building and removed people that were losing power out of the building and hung them out in front of the building. And I can remember making a comment at that moment in time that I was fairly thankful that I lived in the United States of America. So it was quite a remarkable week.

And just the fact that I could walk through that horseshoe one day and every one of those offices would be filled with someone doing their job and literally go into that same horseshoe twenty four hours later and there's not one same person in any of those offices and they're all doing the exact same jobs. So it's a great thing to sort of have been able to live through and watch.

CASTANEDA

And then how did you transition over to doing the electricity purchasing? Not too long after that really.

BLEVINS Well there s the fact that I survived into the Davis administration altogether

CASTANEDA Right

BLEVINS Again Sacramento being notorious for being really a small town where everyone knows everybody else one of the ironies was that the gentleman that was appointed to be the secretary of CalEPA under the Davis administration had actually been the equivalent of the undersecretary under the Brown administration of CalEPA It wasn t called undersecretary then but that was the equivalent because CalEPA did not exist as an agency

CASTANEDA Right

BLEVINS When that gentleman left his public service job he went to work in the private sector in an area related to investment properties and I did not know it There s no way that any of this could have been known at that time but he worked with a woman in that office as part of that organization that eventually twelve years later became my wife [laughter] And so it was with some irony that I was sitting there as undersecretary and he in fact became the secretary of CalEPA

So I knew the secretary pretty well by the time that he was appointed He knew that there were going to be a lot of people coming in that did not have the depth and the institutional memory that I did for the period that he was gone and so I think it was a natural on his

part to try to figure out some way to keep me around for that institutional memory

CASTANEDA Yes that makes sense

BLEVINS So again I mean it's the luck of the draw My only concession was that there'd be no change in my salary my only concession was that I would be a deputy secretary not an undersecretary because again undersecretary is You're in what is defined as the super cabinet so it's a little bit different animal

CASTANEDA And super cabinet what does that actually refer to?

BLEVINS It's referring to all the cabinet level secretaries and then all the undersecretaries So cabinet really is just the secretaries of agencies and specific like the director of OPR there're heads of independent public agencies that are also part of the cabinet and then the super cabinet is really all those people then plus all the other undersecretaries for the agencies

The gentleman who became the secretary for the California Environmental Protection Agency in the Davis administration is named Winston Hickox and he served as the secretary of CalEPA through the entire period of the Davis administration Secretary Hickox clearly came in wanting to think about how CalEPA could begin fulfilling its mission as an agency

The creation of CalEPA was not without some merit. What had happened in California over time, you had had these independent boards, commissions, or parts of departments that were regulating industry and trying to protect the environment from their particular perspectives. But if you were someone trying to get through that regulatory network, you would either find out you got through one place to a certain point and then you really needed to be over here, and so it became very problematic for business.

And so the notion of creating a single environmental agency where, in essence, you had the benefit of—the term that's used is *cross media*—a cross media view of the world, so that these agencies were more closely integrated, and you're getting closer to a one-stop process. That was the vision, and the legislature followed through on that.

The other thing that happened is a building was built in Sacramento to house the California Environmental Protection Agency. Under the Davis administration, the A Team moved into that building. It houses approximately 3,200 people. It is currently the largest office building in the Central Valley. If it were in San Francisco, it would be the third largest office building in San Francisco, and obviously, it's filled with nothing but people that regulate the environment for the State of California. Secretary Hickox was in the position where that

transition occurred and now the reality of cross media interaction was real because everyone was in the same building

There were a lot of as you might imagine special projects in areas that needed to be explored relative to this new management structure and so I found myself being used for a variety of projects that were related to looking at CalEPA and how it functions and how it could be expected to function and actually moved into an area where we were trying to integrate electronically the environmental data that s collected throughout the state by not only our boards departments and offices but by regional boards and air districts etc

But all of that was going on when the electricity problem arose and there s substantive discussion about the problem itself but in terms of what happened to me I was part of this Energy Working Group in the governor s office CERS at the Department of Water Resources had been formed and was negotiating contracts I had been approached by the gentleman who was in charge of putting CERS together who had been running the state water project His name is Ray Hart He had found himself literally Hopefully history will reflect properly on this and the fact that these people built from scratch an electricity marketing unit where they re buying and contracting for power you know a quarter in advance a month in advance a week in advance a day in advance you know an hour in advance And it is

akin to the stock market I mean it's literally in this deregulated environment now you have real time transactions going on to get power from Point A to Point B and it's a very complicated exercise depending upon the quality of the power how you want to have some contract power how you want to buy some power off the spot market etc But that mechanism had already been put in place

By May Ray I think was working about ninety hours a week He had a lot of people that clearly had the engineering basis and the electricity trading capabilities but he was being deluged because of the national visibility of the issue He and another gentlemen were probably the only real policy guys in the organization so they were really being worked to death

I was approached by Ray and ultimately the director of Department of Water Resources an ex legislator named Tom Hannigan to see if I would be willing to come over and help Ray out during the summer of 2001 which was obviously an extremely important period of time in the governor's mind because California had experienced blackouts earlier on and clearly in the mind of the governor and the governor's office the blackouts during the summer meant that all the work they were doing to solve the problem was not solving the problem So blackouts were extremely a thing to avoid

and all the resources of the state that could be applied to this problem were being applied

CASTANEDA And DWR was the agency that would be in charge of doing this purchasing?

BLEVINS Well what happened is it was the only state government agency by virtue of the state water project that had an involvement in the buying and selling of electricity on a large scale

CASTANEDA And this was originally through hydroelectric?

BLEVINS Right Through the state water project yeah And so it was just they were who they were and they were the best thing the state had I talked to Secretary Hickox I told him that if I was needed in that capacity and he agreed and the governor's cabinet secretary Susan Kennedy agreed that I had no problems with going over and helping the administration in that way It's sort of In times of trouble we're all Californians notion

So I agreed I went over there I think the first week in June Now as time passed I began to get a bit better flavor of what had transpired [laughter] And what had transpired is that Ray Hart—and God knows he deserved this—had six weeks of vacation scheduled during the summer of 2001 from about the beginning of July to the second week in August in round numbers and there was really no one there There was someone there that could have done both jobs but it would have

taken him away from the other job which was much more important at that moment in time than the person actually running CERS

So what had happened is I had been brought over to basically be there while Ray was gone. This began to sink in and I began to be a tad nervous about this because there were levels of detail here that I obviously felt I needed much more time to expose myself to before I was in a position to say this is the thing to do and this is not the thing to do.

But all I can tell you I can speak for quite a while about all the different elements that were transpiring relative to this period of time. I mean I think people probably have a hard time even at this moment going back and remembering what a feeding frenzy there was in the press remembering the ongoing regulatory fencing that was going on between FERC and California and the ISO [Independent System Operator]. It was a full time flaps up 24/7 operation just to stay even with all the demands being placed on that office.

CASTANEDA But your job was to buy to bring electricity into the state

BLEVINS Basically the state had to put itself in a position that it was in a creditworthy position to purchase electricity hand it over to the IOUs that weren't creditworthy and have that electricity distributed through the system. It was all a question of the fact that no one was confident

that if the IOUs bought the power from them the IOUs would have the money to pay for the power So in essence

CASTANEDA Yeah if that became a problem the producers wouldn't sell it

BLEVINS They wouldn't sell us the power that's right And so the state had to put itself in the position of buying the electricity knowing what electricity to buy knowing when to buy it and then getting that power into the grid They literally had to create this thing overnight and they did

CASTANEDA And it was off of Watt Avenue?

BLEVINS It was off of Watt Avenue by Country Club Center CERS is still there because contracts were signed during that period of time that are still managed by the State of California and CERS as a unit still has responsibility for managing those contracts those power supply contracts

I'll follow through on my personal process in this and then if you want to we can come back later and talk about the substantive things that were actually happening from my vantage point on that particular period of time

CASTANEDA OK

BLEVINS As it turned out Ray was in fact going on vacation The other little piece of information that I did not have is that Ray had not told the governor's office or the governor personally that he was going to be

away six weeks during the most critical summer in the governor's life
And again this was the guy who put this whole unit together

I found there were intermittent meetings with the governor
between the governor Tom Hannigan and Ray and after I came
onboard I went into one of those meetings where in fact this
information was being given to the governor for the first time I
actually think the governor was caught a bit off guard His first
reaction was that I didn't approve this and it wasn't in the joking
manner that you and I might say it to one another [laughter]

Going into the meeting I already knew because Ray had told me
that he was going to tell the governor he was going on vacation and if
the governor told him he could not go he was going to quit which as
you can see going to the meeting my problems were beginning to
compound a bit [laughter] I had been over there maybe three weeks
and this was all happening

The vacation discussion came up and the governor asked You
know Ray mentioned the fact that he had had a trip planned with his
daughter who graduated from high school to go to Europe and he
was going to do that Now this is where I started getting nervous
because the governor asked How long are you going to be in
Europe?

Well Ray wasn't going to Europe for the full six weeks but Ray said I will be in Europe three weeks or whatever it was right At that moment the governor felt he knew how long Ray would be gone which is exactly half the time that he was really going to be gone So now again my head is churning here about how do I And I told Ray later I can't explain to the governor if he calls looking for you in three weeks that you're in the restroom for three weeks I mean I'm going to have to have something to go on here

But then what occurred after that is the only interchange I ever had with Governor Davis and it became somewhat notorious inside the governor's office in that the governor said Well who's going to be taking care of your job while you're gone?

And Ray turned to me and said B B Blevins here will be doing that

And the governor looked at me and said Well how confident are you that you can do this job?

And I said About 85 percent And I think at least in the minds of the governor's staff I was probably the first person to ever say less than 100 percent in their lifespan

And to his credit I think the governor's reaction was only Oh great like that you know sarcastic panic I think the hearts of his staff had completely stopped at that moment in fear of how he might

react to that comment. So from that point forward in time, I sort of became known as the 85 percent guy.

Again, the rest of the story there was that had I known really what the bulk of my job was going to be, I probably could have easily responded 100 percent because my trepidation stemmed from the complexity of what was going on with the Independent System Operator and CERS, interaction with that and the interaction of FERC. Everything else I felt pretty comfortable about.

But as it turned out, that wasn't the thing I spent most of my time worrying about. One of the issues that had floated up in the context of the formation of CERS was that those people that came to work there

And there are only a few people that are experts in the electricity trading world. I mean, where you can just go and put them in front of a computer screen and let them start buying and selling power. These people have been brought in from a variety of places and put under contract.

CASTANEDA: Within California or did they go outside?

BLEVINS: You know, I don't. I think there could have been people. Well, as consultants, there were consultants that came from all over the United States to basically help the administration deal with this problem. But the thing I found occupying more and more of my time—and this is something the press really wanted to make hay

with—was the fact that when these people had come onboard they had not been told that they were required to fill out Form 700s which were Conflict of Interest forms. And the presumption had been because they were consultants it didn't really matter but there was in fact a provision in the regulations that said If you're a party to significant decision making you need to fill these Form 700s out.

So that all sort of broke in a big way after Ray left and we continued and so I was in the business of trying to make sure all of these consultants filed their Form 700s. Well those are public documents. As soon as those got filed all the stockholding above a certain level that related to electricity distribution or generation or whatever the case may be became available to the public. And sure enough as you might expect these people who had been in the electricity business for a long time were actually holding stock in companies like Enron you know other generators.

CASTANEDA Reliant

BLEVINS Reliant Right So then that really became the news item of the day

I've only read about what transpired in the press relative to Watergate in terms of again the nature of a press frenzy. I don't think I really appreciated what that was until I found myself in this position and it was obvious that number one this was an extremely hot story nationally number two that every editor was beating up his

or her reporter to have the next breaking story on this matter and they were going to go to any lengths to get it. The press was unmerciful in its constant entrance into that office by phone. We had a press officer but I mean the poor man worked night and day trying to basically keep a lot of misinformation from getting into the newspapers that people were trying to make something more of something than it was.

I think the classic is one of the people who was there who was actually a civil servant who had been brought over had worked at DWR had worked for a utility company in Ohio thirty years ago. When he left they gave him forty shares of stock. OK. And in the intervening thirty year period that forty shares had doubled to eighty shares. Well what happened was he had been a party to a contract that was negotiated with another company OK to sell power to the state. At the end of that contract negotiation totally unrelated that company bought the company he had worked at thirty years ago and ultimately what happened was those stockholdings were now transferred as stocks that existed under the new company.

So now you had a gentleman who basically had done nothing wrong holding stock in a company that just had sold a contract had been negotiated to sell power to the state. And the press That made the *Wall Street Journal* I mean in terms of just total

CASTANEDA Yeah I remember

BLEVINS

Based on the innuendo not based on None of the real facts were there So that was a key educational moment in my life was watching the press component of this play out

But what that led to was the ultimate number one going to people and spent some amount of my time going to people and telling them the stocks that they were going to liquidate in order to keep their jobs I see some of them every now and then and tell them that since a large number of them held Enron stock that they owe me lunch [laughter]

Number two there were those situations where some of them actually were going to be required to be dismissed and so it was sort of what is referred to as a period when the contractors were fired to use the vernacular of the press But what happened was contracts were just not renewed But that wording did two things it sold more papers and it also gave the readers the impression that the governor's office was proactively dealing with the problem

So my six weeks was spent primarily dealing with the Form 700 issue and in that area I am probably fairly comfortable I could have given 100 percent in that area

CASTANEDA

Do you have a perspective on the one thing also in the press and there was a documentary that *Frontline* did called Blackout in California or something and they showed the energy trading room in Enron and then the energy the buying room in Sacramento

BLEVINS Right In Sacramento

CASTANEDA And they made it or they portrayed it as a huge slick corporate trading room which Enron had and then basically trading out a sort of It looked like a closet

BLEVINS A closet that s right

CASTANEDA From your perspective was that an accurate depiction?

BLEVINS Oh no I mean I think that the truth is that we had very smart people and they actually are probably smarter than anyone will ever know because what Enron was doing Enron probably had five hundred of the highest paid mathematicians in the country on their staff simply trying to predict buying behaviors and selling behaviors just from a mathematical standpoint So you re trying to figure out the predictability of the market

These people didn t have that resource and as far as I know as we now know they were holding their own pretty well given all the other shenanigans that were going on at Enron and with other traders So you know again hopefully history will be sort of kind to this group I mean it was in itself this little micro Manhattan Project where out of sheer survivability and necessity the state had to do something it had never done before and it wasn t something you could scale up to You had to come in and do it well right off the bat

This is the same group that negotiated contracts you know They were ultimately signed and those contracts were ultimately criticized for their costliness To some degree that was the hens coming home to roost on inaction that occurred a year early

CASTANEDA Well what choice did they have also?

BLEVINS Oh no at that point they had no choice The only way you could control the spot market was to tie up the power in contracts and they were doing the very best job they could and they were at a negotiating disadvantage But you know what that did—not that I will try to take too much credit for this because I think it would have happened anyway—but in that six weeks that I was in CERS and running it let s say the month of July we reduced the state s utility bill by a billion dollars in a single month and we were able to do that because we had more of that power under contract

The difficulty You have to sort of back up and get into some of the fatal flaws of deregulation and

CASTANEDA Does that mean the more power you have under contract the easier it is to negotiate on the spot market?

BLEVINS Because there s less people No let me explain this You don t need as much power from the spot market You know in essence you are in a situation

CASTANEDA There s more there to buy now

BLEVINS Yeah if you have to get 100 percent of your power from the spot market and people know you don't have contracts the price of that power on the spot market can get pretty pricey. But if you've got 70 percent of that power clearly there's a range where you always want some spot market power available because sometimes it's cheaper than your contract. So you're looking for a blend of pricing that gives you the cheapest possible pricing product.

 But if you're up to 60 or 70 percent of having contract power you're only going to the spot market for a little bit of that power. And at the same time remember the public is responding with energy efficiency measures cutbacks so the demand for power is shrinking at the same time. And truly in 2001 you saw a situation where the market worked where in essence you went from a situation where the power is extremely expensive because they had to get it all from the spot market to a point where demand went down they had power under contract and by eight months later we had people not having a place to sell power and so the price started to go down.

 The unfortunate thing was that that's a signal someone should have figured out a year earlier when San Diego started to have the problem it had. And ultimately this backs into the deregulation decision where the IOUs were told they couldn't have any long term contracts.

CASTANEDA Yeah and they had to sell their

BLEVINS And they had to sell part of their generation. So it really sort of opened the door for this to happen. The failure for the Davis administration and this is my opinion. The failure for the Davis administration to act earlier on to allow the IOUs to have some long term contracts may have in fact kept them and it would have caused the price of electricity to go up some but it would have kept those IOUs financially solvent or at least creditworthy to where the state's intervention wouldn't have been necessary and will forever be a debate as to whether it cost the state more money to stay out than it would have been to get in.

CASTANEDA Right. And at the same time the sellers are withholding some power. They're manipulating the market.

BLEVINS They're manipulating the market. They are doing the very thing that the PUC tried to design a system to prevent. And the fallacy of the PUC's approach was they felt power would always be cheaper and not more expensive because there was so much out there. And in defense of the PUC if people had played the game according to the rules you know that's not an unreasonable assumption to make. But I think once you start getting into the dollar amounts that are involved here it's only a natural outcome that someone's going to try to figure out how to maximize their return in ways that other people may not figure out. A number of people tried it a number of corporate organizations

tried to do that and presumably a substantial number of them eventually got caught

CASTANEDA Looking back and you're only doing this for six weeks and this was going on before and after

BLEVINS Right

CASTANEDA But in retrospect would there have been another way California could have bought power at less expensive cost or were our hands the buyers' hands completely tied?

BLEVINS You mean in terms of when

CASTANEDA When they were negotiating the contracts

BLEVINS I think they got the best contracts they could have possibly gotten under the circumstances

CASTANEDA Yes it seems that way

BLEVINS Right right And ultimately—and this will be left to the historians—ultimately it may be that the real breakdown in the system was with FERC itself because FERC has certain rules that people are supposed to be complying with and FERC is supposed to be watching out for certain things I think there's probably a little bit of culpability at the national level relative to what finally happened And FERC did eventually take actions that were designed to help stabilize the markets in California but it came pretty late late in the game

CASTANEDA OK

[End Tape 5 Side B]

[Begin Tape 6 Side A]

CASTANEDA OK We re on tape six

So how did your mission at DWR wind down?

BLEVINS Ray Hart who was truly the director of CERS returned There were a lot of things that happened simultaneously One as Ray had been gone I had assumed Ray s hours and as a consequence I had a feel for what that job meant We also had another summer coming next year

I had been approached again by Ray Hart and Tom Hannigan to consider staying on in my capacity which was then assistant director for energy at the Department of Water Resources a position created that was sort of both policy related and operationally related for the entire department and they were encouraging me to consider staying on It was very difficult to predict the future at that moment in time and I knew that I had just spent the bulk of a summer with no contact with my family to speak of which included two small children and decided that I had done my part for the State of California

Simultaneously one of the outcomes of the crisis was that the legislature formed a new entity called the California Power Authority It has a much longer name [California Power and Conservation Financing Authority] Basically it s another financial authority for the

State of California. But it was a natural outgrowth of some of the frustrations that the state was feeling as a result of the crisis. It was an authority that was given five billion dollars' worth of bonding capability. It was entrusted with expending those bonds either in the construction of power plants that would, in fact, be owned by the state or the deployment of energy efficient technology or decentralized generation, distributed generation, to again put more of the production of electricity in the hands of consumers.

The person appointed to the Power Authority had been the former general manager of the Los Angeles Department of Water and Power, had been the former general manager of the New York Power Authority, had been the former general manager of the Sacramento Municipal Utility District, had been the former chairman of a public utility in Texas, and prior to that, had been the chairman of the Tennessee Valley Authority, and that was Dave Freeman. S. David Freeman.

I had known S. David Freeman since his general manager days at the Sacramento Municipal Utility District. Oddly enough, being a native of east Tennessee and my mother's family being very close to Chattanooga, they lived in the back part of eastern Tennessee, and Chattanooga was the big city. David Freeman's parents' father operated an umbrella sales and repair store in Chattanooga, and my

family would go to Chattanooga in the twenties and thirties and forties and shop at Dave Freeman's father's store

So in California there was the closing of a pretty big loop there So when he came to the Sacramento Municipal Utility District he and Chuck Imbrecht would logically get together at that point and I was sort of the common link to both of them because I had my native Tennessee roots that I reminded people of often and I was Chuck's advisor so I was entrusted with setting up that first meeting

I'm going to digress here just a bit and tell another story We set up a lunch at Mace's here in Sacramento Chuck has been known to get into conversation and sometimes have his own cadence in which he could pretty much dominate the conversation and Dave Freeman has a speaking style that is very slow and deliberate and southern As we all introduced each other and sat down for lunch Dave began to speak and in that true southern style where you're not quite sure where one sentence ends and the next one begins Chuck was totally frustrated in terms of trying to find a place to enter into the conversation So it was one of those few moments in my twelve years with Chuck that I truly saw him speechless which is certainly a credit to Dave Freeman's style which has enamored and attracted hundreds of people over his lifetime

Dave Freeman by virtue of that prior relationship and knowledge of myself knew what I had been doing at DWR knew that I was about to go back to the California Environmental Protection Agency working for Secretary Hickox and interceded and asked if I would be willing to assist in the establishment of the California Power Authority Again my standard conditions were that as long as my direct boss Secretary Hickox and the governor's cabinet secretary were OK with that I was OK with that So all those factors in combination led me to decide that I would not stay at DWR and that I would in fact go work for Dave Freeman

Obviously anyone who knows anything about Dave Freeman's history I probably would have done that job for nothing just so that I could say that I'd had that brief interrelationship with him professionally He continues to be a friend and again it's not unlike the circumstance with Chuck Imbrecht It's been one of the fortunate aspects of my professional life to have some time to be around him and be exposed to his style and his intellect

So I left behind the summer of 2001 I thought and moved to the Power Authority What I didn't realize was that at that moment anyway that the State of California was going to sue generators through FERC for the overcharges that they had at that time in theory placed upon the state and try to get restitution in the amount of 8

billion dollars FERC created a case between California and the generators which then began its legal wranglings of which FERC was entitled to discovery I'm sorry the generators through FERC and the process were entitled to discovery in the State of California relative to what went on during the summer of 2001

As I understand it the generators had developed a list of thirty five people that they wanted to depose as part of this process That was determined to be too many and that number was negotiated down to about eight or ten individuals Just to show that no good turn goes unrewarded somehow I made the cut of the eight to ten individuals that must have known all the secret inner workings of California during the power crisis

This was a pretty interesting experience in that the generators by virtue of all having filed their counterclaims individually at FERC all had their own attorneys and those generators being in the FERC environment in Washington D C they individually selected attorneys that were the probably eight most prominent law firms in the United States by virtue of the sizeable amount of money that was involved here and they came to Sacramento

I was deposed There was a time limit set on how long a deposition could go I believe it was eight hours The attorneys all had representatives present in the deposition There was a conference

call and my suspicion I was told later that there could have been thirty or forty additional attorneys on the phone listening to the deposition I was there obviously under the guidance of the California Attorney General's Office and the deposition proceeded

The only two things that are somewhat humorous is again this goes back to my social science background and sort of approaching these things from an anthropological standpoint I began to pick up pretty early that there was a particular Each person from the various law firms sort of took on a particular personality in order to try to get what they expected There was one that agreed to be the lead deposer There were those that were not going to say anything they were just going to remain silent There was one that for lack of a better term I would probably characterize as the Columbo character whereby there was this nice orderly process of deposition and this was the gentleman who spoke up and said You know wait a minute I'm really sorry I apologize I need to go back a few more questions and see if in fact you know I got this right Do you mind if we just stop here and go back? And clearly that was a strategy to in fact get me off on another tangent and then bring me back and have me somehow contradict or restate something I had said before in a way that would create a contradiction in my presentation

Then of course as a male there was another attorney who was a female who clearly was supposed to be as friendly and as congenial toward me as she possibly could through the deposition process so that somehow I would feel some special willingness to maybe open up a bit more to her than the males sitting around the table I m sure for attorneys this is all a common practice For someone who s not an attorney and someone who s skilled in the study of social science this is something this is a process worth further study [laughter]

CASTANEDA That s an interesting

BLEVINS But anyway I was told by the Attorney General s Office that I did well in the deposition and ultimately I think the FERC made its decision and it wasn t near the amount that the State of California was expecting it to be

I will tell one Dave Freeman story relative to this same process Because he had been involved in negotiating the very first contracts heading into the crisis he was too one of the people that were deposed and because I knew him I had to tell him that we really had to avoid contact because obviously one of the first questions they ask you have you had any contact with any of the other people and have you talked about the case And I said So we ve got to lay low here until this is over

And he said Did they ask you any other questions that weren't related to the case?

And I said Well they wanted to know about my background

And Dave in his humorous style pointed out that he would have no trouble speaking for eight hours about his times in high school So it gave you an insight on how Dave's brain worked [laughter]

CASTANEDA Were they probing for any particular information?

BLEVINS Well I think they were trying to demonstrate that to some degree California was gaming some of this themselves in order to create a situation where folks were having to do what they were having to do I don't think it was very credible from the beginning in terms of undoing the state's case but the reality was FERC is guided by what it believes people had the right to do versus what was illegal and then for those things that were illegal figure out what the true damages were and then reward the state those And as you might imagine given the two different positions those calculations were grossly apart in the final analysis

CASTANEDA And the utilities are just looking for anything to even create a sense of doubt

BLEVINS Keep in mind these are not utilities I mean they're not utilities in the California sense These are people like Reliant When you say utilities

CASTANEDA Power producers

BLEVINS They're the power producers now because we're in the deregulated environment and they're people whose corporate interest is not even in California. California is just a thing in which they can try to make money off of. It's not a born and bred company in California that has any kind of allegiance to the state's economy or history or whatever might cause them to form some sympathy for the state's circumstances.

I was at CERS actually. I think a total of two, two and a half months, but it's certainly a six weeks that I will not forget soon.
[laughter]

CASTANEDA I can imagine. And did you go to the Power Authority soon? Did you help with the Power Authority soon after that?

BLEVINS Right. And interestingly enough, the significance of the Power Authority was just simply its creation. The one thing the Power Authority had the ability to do was to basically build and operate power plants on behalf of the state. It also had eminent domain, which meant that the degree to which a generator was somehow... If the Power Authority had the presumption the generator was misbehaving somehow, it had been given the authority to assume the operation of that facility in order to protect the economic and health and safety interests of the State of California.

But that threat the fear of needing to exercise that threat or the fact that the state was contemplating getting into the power business itself in combination with the fact that the PUC was bringing the two investor owned utilities back toward creditworthiness and away from bankruptcy in the case of PG&E basically the world evolved in a way that the truly harsh mission of the Power Authority never had to be exercised In fact in the governor s budget for this year the Power Authority is defunded beginning July 1st 2004

The other thing that happened is that the Power Authority by virtue of being in a position to own power plants became a developer a power generator itself and tried to put together deals for power generation It found itself in the exact same box as all the other generators were at that time who were building projects trying to get contracts to sell power There were no contracts available No one needed power because a lot of the power had been contracted for already

Again by virtue of all the things that were going on the economy in the summer of 2001 the state economy and the national economy were in fact beginning to slow in a big way So the projected demand for power was not accelerating at the pace that the crisis sort of sent a false signal on

CASTANEDA And the ISO was also

BLEVINS Independent System Operator They still exist and they're very much part of the transaction of distributing the power

CASTANEDA Well we've covered a lot of territory Are there things we haven't discussed that you'd like to address? We've come up pretty close to the present

BLEVINS In the interest of the personal history I returned from the Power Authority prior to the end of Governor Davis' first term The secretary for Environmental Protection thought there were some things that he wanted to make sure were completed and my one year sabbatical to the Power Authority ended and I was

CASTANEDA That was one year?

BLEVINS Yeah and I returned to California Environmental Protection Agency

CASTANEDA That was longer than I thought I thought it was just a few months again That was a lot longer

BLEVINS No it actually turned out to be essentially a year from August to July 1st of the following year

At the Power Authority we pursued in earnest all the elements of the Power Authority's mission but again the nature I think of how the world had changed around it the Power Authority it's one of those entities that sits behind a glass case that you break in case of an emergency The legislature had created it in an emergency and until

those emergency conditions returned the threat of the Power Authority isn't really there

CASTANEDA Was there just not much to do when it comes down to it?

BLEVINS Well you're really in the position of number one trying to find a market for power and then if you're trying to find a market for power and you're part of the project whether it be a demand reduction project or a generation project you're still having to go to Wall Street to float the bond. Of course I would frequently joke with people while I was there because I was in charge of the generation side you know how far are we going to get to say Oh you know what? We want a bond to finance the construction of a power plant

Oh where are you from?

Oh we're from California. You know the uncertainties at that moment in time made the risk premiums on that kind of a bond almost prohibitive to move forward and again the demand there was no contracts to be held. And so you literally had to have the contract in place before you could walk on to Wall Street and try to put the deal together

Interesting enough I believe there is value in somewhere in the state a regulatory capability existing to where the state can take over the jurisdiction and operation of power plants. In a perfect world it would be a situation where it doesn't involve eminent domain because

while eminent domain sounded like a good idea to a lot of people at that moment in time a lot of them also forgot the rules in that whatever you take over you have to pay fair market value for And fair market value for a power plant you know long about the February March May time frame in this mess was pretty high

CASTANEDA Did the Power Authority acquire any generating capacity?

BLEVINS No they have not acquired any generating capacity at this moment in time

I returned to CalEPA I went back to working on some of the projects I was working on beforehand Clearly I was at a fairly high level of government to watch the dynamics of the recall work and that was fairly historic obviously in its manifestation I was because of the fact that I continue to be an appointee of Governor Wilson from 1997 and I m probably to this day the longest standing non term appointee and maybe even with the term appointees most of those are up now I may be the only true Governor Wilson appointee in state government right now

But by virtue of a lot of that governor s original campaign and administrative machinery being behind the Schwarzenegger campaign a lot of the people that I ve worked with are now back As a result of that I was seen as a natural person to be the person that would effect the transition from the CalEPA agency standpoint from the current

administration to the new administration. So I was the person inside of CalEPA that transitioned the powers that be and information to the new Schwarzenegger administration.

As would be expected, I now have a new secretary of Environmental Protection that I report to, and my future is still very much up in the air. [laughter]

CASTANEDA: Well, we don't want to end on that note. You've had a long career in state government and energy and environment. Do you see trends? What is your perspective looking back at your career?

BLEVINS: Well, I think obviously particularly in this particular area of focus is that there's always. I mean, when I came to California there were just under 20 million people living in the state. We're now close to doubling that, and I've only been here. [interruption]

BLEVINS: And now the population of California has nearly doubled. To keep that in perspective, there has been no creation of more air. There has been no creation of more water. There has been no more creation of more land. In fact, the land is now being demanded for residential purposes. It was previously used for some kind of commercial industrial purpose, in some cases, which means that those soils are affected and have potential hazards that have to be cleaned up before those lands become usable again for residential purposes. And the demands for environmental integrity in this state are growing by virtue

of more people with less places to go to live and those people are having higher expectations about their health and safety where they do live

I think California as crazy as it may seem to the outside world sometimes has in fact made huge progress relative to trying to maintain its environmental quality in the face of the population growth that it endures and its population grows whether times are good or times are bad because invariably California is still the place that a lot of people want to end up whether it be climate or economy or whatever or Hollywood

But if you put that in perspective and consider that that doubling can likely occur now in half the time it occurred prior to me getting here the ability of our natural resources to endure that is something that is going to be a major challenge to the state Clearly in environmental protection and the resource management area technology is going to become more and more important because the funding available to cover all those bases is becoming less and less available

I somewhat feel as if I m part of the standard of mythology of most cultures which is called the vision quest I think Joseph Campbell characterized it as the vision quest where in essence as a young person you go on your quest to find out what you re all about And

I'm pretty close to the end of that quest. I think and have plans to return to my home state when I retire from the State of California.

But I have been a party to and have been able to view some remarkable transitions in the way California approaches the environment and resource management, the way California governs itself. And even as we sit here today, we're on the verge potentially of still another expansion or contraction of the governance principle.

So it certainly has not been a slow ride for the past twenty-seven years, and I think that the thing that will probably save California in terms of maintaining the continuing quality of life that it has is the resiliency of its people. As we sit here, here it is the most diverse place on the planet in terms of where people live together, and you can only hope with that diversity we are also getting some of the smartest people that live on the planet, because it's going to stand to reason that if anything new and different is going to happen, it's going to happen in California first. And until that model's broken, I think it's going to be a major challenge for people in the public sector and that are tasked with the responsibilities of maintaining the state's resources.

Really what California is going to have to come to grips with is the concept of sustainability. We're going to have to figure out how to design an economy that is sustainable both in terms of the product output that we provide and the way in which we map on to the natural

resource of the state. There are places both in industry and the public sector where that sustainability concept is beginning to make inroads but there are not many of them and they're not wide inroads. But you can sort of get an appreciation for those who are starting to put the bigger picture together knowing that even those that operate businesses and seeing that they may not be able to do their business the way they used to even though there may still be a demand for their product.

The one thing I've learned about California is that by its very nature it's always in transition. It's never at the beginning of anything and it's never at the end of anything. It is in constant transition and it's an interesting place to live.

The other thing that's happening in California that probably everyone thinks about or is aware of it because we market it this way. I'll go back to the diversity point and this probably brings some more anthropology back into the equation but as people come from all over the world they come from cultures that actually view the environment in many different ways. So as we think about regulating the environment or managing the environment you have to keep in mind that the traditional way that folks have viewed that process in this country could be undergoing its own dynamic and you have to

approach different cultures in a completely different manner in order to begin building that ethic

I think the good news in at least half the cases most of those cultures coming here probably place the environmental considerations at a higher level maybe than we have traditionally done in a European sense in this country

So personally I'm very grateful for that moment that I decided to come here I've had a quite a rewarding career I think one of my ways to sort of slough this off with humor is by again in anthro they used to make you read the story *Little Big Man* that the movie was based on the novel that the movie was based on and I've always joked with people that in the energy and environment area I'm the Jack Crab from *Little Big Man*

[End Tape 6 Side A]

[Begin Tape 6 Side B]

BLEVINS the person that invariably is destined to always be just standing on the sidelines of history but never never in the light And of course Jack Crab for that price that he paid his final glory was that he outlived them all and was able to tell the story his way and so he actually had the final say and history was recorded accordingly So I've enjoyed that Jack Crab role over the past twenty twenty five years and there's probably still a few more years to go

CASTANEDA I m sure And your historical perspective has been very valuable and
we appreciate it

BLEVINS My pleasure

CASTANEDA Thank you

[End of interview]